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GENERAL BUSINESS

Gales threat to Fastnet rescue

WITH 10 yachts still unaccounted for after the Fastnet race disaster, the huge rescue operation last night faced the grim prospect of being hampered by more lashing gales, possibly up to Force Eight.

But, as the death toll mounted to 15, with 22 yachts sunk or abandoned, suggestions that the race should never have gone ahead were discounted by the organisers, the Royal Ocean Racing Club. Club secretary, Alan Green said: "People who are suggesting that do not understand the way ocean racing is conducted."

He said boat owners prepared their boats in the best possible way "and it is their responsibility to judge the weather and to take such action as it occurs to them is right."

Britain's Admiral's Cup skipper Edward Heath, who reached the finish in Plymouth to contradict earlier reports that Morning Cloud's rudder had broken, said: "It was a very frightening experience, the sort of thing you would never want to experience again."

Claims may exceed £1m—Page 8

Wall St. up 9.13; Gold at \$300½

WALL STREET rose 9.13 to close at the year's highest of \$300.13 after a day's trading volume, at \$6.25bn, was the year's heaviest.

DOW JONES INDUSTRIAL AVERAGE

WALL STREET rose 9.13 to close at the year's highest of \$300.13 after a day's trading volume, at \$6.25bn, was the year's heaviest.

State undertakes to provide an additional drilling and production force while underwriting British security of oil supplies.

A strong BNOOC could enhance the Government's plans for private investment in the corporation.

The Government hopes to change the corporation's capital structure some time next spring. It is looking at two ways of injecting private capital, involving either the issue of bonds or the sale of shares, which would result in a company somewhat akin to British Petroleum.

First, however, the Cabinet must decide on the corporation's future size and shape. Its board will decide on August 31 what it will recommend regarding asset sales.

The corporation was initially asked to say what sales would be necessary to raise a £400m target set by the Government.

One issue to be resolved in

BNOOC assets sale may begin within six weeks

BY RAY DAFTER, ENERGY CORRESPONDENT

The Government hopes to start disposing of certain British National Oil Corporation assets within six weeks. Properties for sale are likely to include interests in the Viking gas field and the Anglo-Norwegian Statfjord oil field.

It is expected, however, that the corporation will be allowed to retain its more attractive North Sea interests, in particular its stakes in the Thistle, Ninian and Beatrice fields.

Energy Department Ministers and officials have told senior executives that they want the corporation to retain a strong offshore presence because of the party's political and public relations value.

For its part, the corporation will state its willingness to dispose only of its natural gas assets: its 50 per cent stake in the partly depleted Viking gas field, worth an estimated £40m, and unexploited gas accumulations close to Viking.

It will probably tell the Government that it sees no reason why it should dispose of oil assets new but that, if some sale is needed, it ought to be in Statfjord.

The Corporation has a one-third interest in the UK portion of Statfjord, the biggest but one of the least profitable fields in the North Sea. Its stake is thought to be worth about £125m, according to Wood, Mackenzie, the stockbrokers.

Third on the disposal list might be the 12 per cent stake in the Dunlin Field, worth an estimated £105m. The corporation has indicated to the Government that it especially wants to retain the operator of the Thistle and Beatrice fields.

One issue to be resolved in

Brussels expenses 'exceeded by 23%'

BY JONATHAN CARR IN BRN

A POLITICAL storm seems likely to erupt after revelations of marked extravagance at the top of the EEC Commission in Brussels.

An official report shows that the 13 European commissioners together exceeded their allotment for entertainment expenses last year by 23 per cent.

It also links items of over-spending to particular commissioners, in a way bound to cause not only embarrassment to those involved, but wrath among European taxpayers.

The report prepared by the European Auditing Office does not name the commissioners, but lists them according to a numbered key. The West German weekly, Stern, has obtained both the report and the key.

The report was requested by the European Parliament earlier this year after Press reports that a Commission vice-president, Herr Wilhelm Haferkamp of West Germany, had been over-spending.

The highest entertainment expenses—nearly DM 77,000 (£18,800)—were claimed by a senior commissioner. Several other commissioners, however, spent well under their allocations. Together, all 13 commissioners spent almost DM 725,000 (£178,000)—or 23 per cent more than the sum originally allotted to them.

A separate breakdown on drinks for official visitors discloses that about DM 19,000 (£4,650) worth of liquid refreshment was ordered by all commissioners last year. One commissioner, however, ordered 128 bottles of schnapps.

Another commissioner spent DM 245,000 (£60,000) on transport. The record for the biggest hotel bill for a single night was DM 508 (£124), although on one occasion, a commissioner found a lodging for only DM 31 (£7.60).

One member of the Commission last year managed to spend more than 100 days on business trips to his homeland.

Two members of the Commission showed less interest in travel. But according to the auditors report they had a special affection for flowers in their offices. One is said to have spent nearly DM 1,500 (£367) a week in this way, and the other just under DM 1,000 (£244).

Details Page 2

Spillers turns down £76.3m Dalgety bid

BY CHRISTINE MOIR

DALGETY, the international agricultural and food merchanting group, yesterday launched a £76.3m bid for Spillers, the flour and food processors, only to have it met by the resignation of one of its own board members and instant rejection by Spillers.

Spillers' Board is still considering the surprise offer, which it received at noon. Its immediate reaction was that "the proposition is unlikely to be regarded as advantageous to the company's shareholders or its employees."

The benefits to Dalgety were also called into question by Mr. Alfred Singer, a former deputy managing-director of Tesco, who was appointed a non-executive director of Dalgety on January 1. Yesterday he handed in his resignation to Mr. David Doone, Dalgety's chairman.

Later he said that he considered Dalgety an outstanding company with an outstanding chairman. However, "at £75m, great risk is involved in this bid and on an issue of principle one is acutely aware of one's responsibilities to shareholders."

The market's immediate reaction to the offer's term—6 Dalgety shares for every six Spillers—was to mark up Spillers' share price by 10p to 49½p, where it matches the offer.

Equity

Dalgety's shares also rose 2p to 300p, reflecting the accompanying announcement that the company intends to increase its dividend to 53 per cent more than last year and 24 per cent above its level it promised last September when it made an £18m rights issue.

The bid must go to Dalgety's shareholders for their approval, both on the grounds of the size of the proposed acquisition and because it involves increasing the equity by more than 50 per cent.

The shareholders are being invited to regard the merger as a commercial common sense. Dalgety's board believes that its agricultural, which takes in meat processing, food (particularly frozen vegetables), merchandising and animal feeds, is complementary to Spillers' food interests. It also feels considerable advantage could be gained from streamlining distribution and marketing, and expanding in overseas markets.

Dalgety claims that all of its divisions have performed extremely well in the past year. It estimates that profits for the year to the end of June will amount to no less than £31m—a 30 per cent increase on the previous year, despite the problems of adverse currency movements.

Considerably more than half of Spillers' profits, which total £14.7m after the rescue which unburdened it of its loss-making bakeries, come from flour milling. Dalgety has no common interest in this field.

Up to the turn of the year margins on flour had been good but they have recently suffered from increased wheat and wages costs. Unless there is a retail price increase by September, current year profits could be depressed, according to Mr. Michael Vernon, chairman of Spillers.

Dalgety intends to run the flour business as a separate division. Its main efforts will be concentrated on the other interests. Both own egg and poultry businesses in the UK of roughly the same size. Spillers has a much bigger meat and food processing division than Dalgety in the UK, but this would be completed by Dalgety's major meat trading and processing facilities in Australia and New Zealand.

In addition, Dalgety has recently embarked on a major expansion into food distribution in the U.S. Spillers has also entered that market with Modern Maid, a flour-based food group still making losses but on the point of recovery, according to the company.

In animal feeds, the two companies have a combined 13 per cent share of the UK market.

Dalgety's U.S. expansion has been part of a planned programme of regional diversification. This is intended to offset its dependence on the critical agricultural markets in Australia and New Zealand, where it is the leading meat processor, livestock trader and rural agent.

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Young resigns

Andrew Young, the chief U.S. delegate to the United Nations, has submitted his resignation to President Carter, he said yesterday. He has been under fire for holding talks with the Palestine Liberation Organisation. Senate calls for Young's sacking. Page 1

Muzorewa 'yes'

Bishop Abel Muzorewa's Cabinet accepted the Government's invitation to attend the all-party conference on Zimbabwe Rhodesia, starting in London on September 16. Back Page

Flood toll rises

As India celebrated its 32nd anniversary of independence, Lloyd's insurance agents in Bombay said the number of people killed in the dam flood disaster at Morvi in Gujarat state is likely to exceed 25,000.

Crash kills 150

Everyone on board two Soviet airliners was killed when they collided on internal flights, the official news agency TASS reported. Unofficial reports put the death toll in the Soviet crash at 150, making it one of the Soviet Union's worst air disasters.

Bulging cities

Third World cities and towns will have to accommodate an extra 100 million people by the end of the century, with Mexico City's population rising to 32m, according to the World Bank's second annual development report. Back Page; Editorial comment Page 18; Economic Viewpoint Page 19

Ulster arrests

The Royal Ulster Constabulary arrested 16 people in swoops in Belfast as part of its investigation into Sunday's Republican parade in the city. In continued violence two Pakistanis were wounded by gunmen in Belfast, and a mob went on the rampage in Lurgan. A 1,000 lb milk churn bomb was defused in South Armagh. Page 5

Briefly...

Nigel Short, the 14-year-old chess prodigy from Bolton, took a clear lead in the British Chess Championship after beating defending champion Jonathan Speelman.

Soldier was found dead in the Brecon Beacons, Wales, after taking part in a selection course for the Special Air Service.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		FALLS	
Trans. 12pc 1983	+1	York's Trailer	-4
Trans. 3pc 78-88	+1	Anglo. Amer. Corp.	-18
Avana	+1	Falcon Mines	-20
Bowler	+1	General Mining	-50
Britannic Assur.	+5	Gold Fields of SA	-1
Elson & Robbins	+4	Hartley's	-1
General Accident	+2	Messing	+5
Green's Econ.	+4	RTZ	-27
Inveresk	+3	Unilever	-15
Land Secs.	+1	Zandran	-16
MEPC	+3		
Rush & Tompkins	+7		
Spillers	+10		
Taylor Woodrow	+6		
Unitech	+6		
Vaux Brews.	+1		
Wholesale Fittings	+5		

U.S. markets welcome Fed's tighter credit

BY STEWART FLEMING IN NEW YORK

THE U.S. Federal Reserve Board moved yesterday to tighten credit conditions, fulfilling the hopes of the financial markets that under Mr. Paul Volcker, its new chairman, the central bank would act promptly to fight inflation and support the dollar.

The Fed's move to raise its target interest rate on federal funds from 10 1/2 per cent to at least 10 3/4 per cent was followed quickly by an announcement from the third largest U.S. bank, Chase Manhattan, that from today it is increasing its prime lending rate to 12 per cent.

This matches the record prime rate hit in September 1974. It was quickly followed by two Chicago banks—Harris Trust and Continental Illinois—and it is widely expected that other banks will follow suit.

The Fed's action, which had been predicted by many economists and dealers, was greeted warmly by both the U.S. bond market and the foreign exchange market.

On Tuesday the Fed's monetary policy arm, the open market committee, held its first meeting since Mr. Volcker succeeded Mr. G. William Miller as Fed chairman at the beginning of the month. Mr. Miller became U.S. Treasury Secretary in his administration last month.

The dollar has stabilised in the three weeks since President Carter announced that he wanted the internationally respected Mr. Volcker to move from president of the New York Federal Reserve Bank to be chairman of the Fed.

But worrying evidence of deteriorating trends in the economy had convinced many in the financial markets that the central bank would tighten credit at Tuesday's meeting.

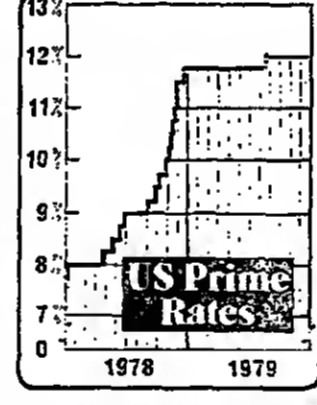
Last week for example, it was disclosed that inflation as measured by producer prices had accelerated again in July after slackening in the previous two months, and was surging again at a 13.2 per cent annual rate.

Consumer price inflation has been running at this level in the first half of the year. In addition, for the past two months the money supply has been growing at a rate well above the Fed's targets.

These factors, it is thought, will have influenced the Fed's decision to tighten credit, with the objective of curbing inflation and in the knowledge that any evidence that the central bank intended to tolerate these adverse trends could bring renewed pressure on the dollar.

Many economists suggest that a modest shift to higher interest rates now will not have a severe impact on the overall performance of the economy. It

Continued on Back Page



New tap may be in demand

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE NEW £1bn short-dated tap stock could be in demand when market dealings start this morning following a further rise in gilt-edged prices yesterday.

The stock—1 1/2 per cent Exchequer 1984—was not fully subscribed when lists closed yesterday and all tenders were allotted in full at the minimum price of 97.25 per cent.

Market estimates of support varied considerably. Initially dealers thought that as much as half to three-quarters of the stock might have gone by the close, some estimates were as low as a sixth.

There was no evidence of any strains in the money markets yesterday as a result of the issue. Several banks are believed to have sold existing short-dated stock to subscribe for the new stock because the new stock was partly-paid with only £50 per £100 nominal due yesterday.

Prices of existing short-dated stocks rose by 1/2 and as a result the new stock is yielding more than other comparable gilt.

This creates a dilemma for the jobbers in setting their initial prices today, so that if the market is as keen as it has recently been the stock could be quickly exhausted.

Even before the latest issue the Bank of England had tied up the sale of over £5bn of gilded stock since April to cover the high level of public sector borrowing in the first half of the financial year.

Borrowing is expected to be particularly high in the banking month running from today to mid-September as a result of the first stage of the income tax rebates.

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EUROPEAN NEWS

Dutch employers urge public spending cut

BY OUR AMSTERDAM CORRESPONDENT

The main Dutch employer's organisation yesterday warned the Government that it must reduce its share of the national income next year.

economic debate about 1980, the Government and not the unions are emerging as the employers' main target.

The association has already calculated that the public sector will absorb all of the growth and more in the Dutch economy this year.

On the basis of wage agreements reached this year for 1.5m employees, the association calculates wage costs will

rise by nearly 8 per cent, considerably more than the forecast of 5.5 per cent to 6 per cent.

Even though the unions made moderate wage demands, and attempts to introduce a 35-hour work week were rejected, pay rises have still been sizeable.

The employers want the Government to reduce their burden by compensating them retroactively from its natural gas revenue. This should be paid at the end of the year in the form of a reduction in

the employers' social security payments or a tax rebate.

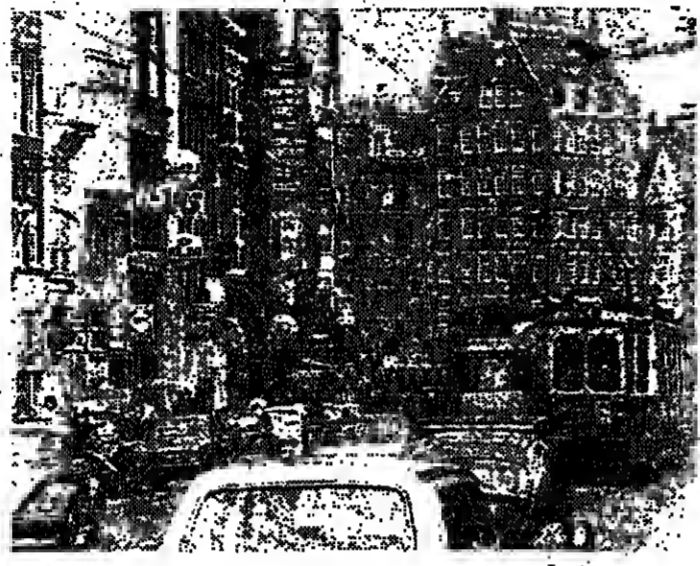
They are also calling on the Government to remove from the prices index, for rises in which employees are compensated twice a year. The sharp rise in oil prices has contributed to an increase in compensation and higher inflation.

According to Mr. van Veen, industry next year must improve unit wage costs by 8-10 per cent relative to other countries if the Dutch balance of trade is to be in balance by the mid-1980s.

PLAN TO SOLVE ACUTE TRAFFIC PROBLEMS

Amsterdam restricts the motorist

BY CHARLES BATCHELOR IN AMSTERDAM



Traffic congestion is threatening to choke Amsterdam's business and social life.

AMSTERDAM is in the throes of a controversial five-year traffic plan designed to deal with pressures which threaten to choke the city's business and social life.

Few of the world's large cities have preserved their original shape as well as Amsterdam and few therefore face the problems besetting the Dutch capital. Concentric rings of canals around the city's medieval heart mean traffic planners can only tinkler at the edges of a problem which elsewhere might be given more radical treatment.

Even so restrictions on the private motorist and similar proposals made in a number of other towns have polarised opinion between those in favour of the private car and those for public transport, the bicycle and the pedestrian while construction work on the city's roads has brought a stream of complaints.

Following protests over disruption and several demonstrations by taxi drivers which brought the city centre to a standstill for short periods, Amsterdam Council decided in June to halt all new projects until work under progress had been finished.

The business community has long complained that the difficulty of getting into the city centre is forcing companies to move out of Amsterdam. The department stores, too, say that the traffic problem is depriving them of business and leading to closures.

Amsterdam's Chamber of Commerce blames the loss of 10,000 jobs—10 per cent of the inner city total—in 1975 and 1976 on the problems of access. The profitability of the retail and service sectors is also lower than in the rest of the country, it noted.

After 10 years of studies

Amsterdam City Council proposed a traffic movement plan in June 1978. This proposes a series of networks spread over the city of tram, cycle, pedestrian and car and lorry routes. Each type of traffic would be kept apart from the rest as far as possible. Through traffic using the crowded 19th century inner suburbs would be barred by a careful selection of one-way streets and no entry signs.

The plan will increase the number of tram-only routes, cycle paths and pedestrian areas. The private motorist who uses his car to get to and from work is to be persuaded to use public transport, at least for the last part of his journey.

The traffic plan included plans to build a number of discretely designed multi-storey car parks in the city centre although this has since been dropped in the fury of local business interests.

With only two large multi-storey car parks in the city centre, and a third now under construction by a large department store, Amsterdam has deliberately chosen to make life difficult for the motorist.

On-street parking is practically the only opportunity open to the 30,000 drivers who bring their cars into the city daily. This is 30,000 cars more than the city can really handle and double parking and parking on the pavement increase the chaos. Work is already far advanced on making many of the city's dusty traffic-clogged squares into greener, pleasanter areas for the pedestrian and more parking spaces disappear each month.

While the population of the Netherlands is stabilising around the 14m mark, car ownership is continuing to rise. Nearly 4m vehicles are currently on the road and this figure is

expected to rise by about 750,000 by 1985.

Amsterdam's plans do not go as far as those in some Dutch towns but because more people are affected the plans are just as controversial. An inner ring road is now being turned over primarily to trams and cycles to speed up non-car traffic going round the city centre. Roads where the trams fight for space with cars are being modified to keep cars off the tram lines altogether.

Stumpy metal poles are shooting up along the kerbside to keep off parked cars and pavements are being widened. Amsterdam's public works department has seized this opportunity to lay new sewers and to replace the present leaky system.

By 1980 Amsterdam's first- and probably its last—underground line will be complete. At a cost of more than £1 bn (£220m), four times the amount estimated when the plan was launched in 1968, the central station will be linked with the south-easternmost suburb of Bijlmermeer. A metro journey of 15 minutes will replace a car, or bus journey up to four times as long.

The original plans for a network of metro lines under the city have been dropped. The soft wet subsoil means tunnels cannot be driven, so concrete caissons are built at ground level and sunk into the soil. This means the houses above must be cleared.

For Amsterdam the traffic problem is more acute than in most cities and its options are more limited. The conflicting demands of preserving the unique architecture and maintaining a viable economy mean the city council's traffic policies are likely to be a source of controversy for many years to come.

Argentina arrests Italian terrorist

Sig. Giovanni Ventura, the fugitive neo-fascist found guilty of taking part in the 1969-Milan bomb outrage and facing life imprisonment in Italy, has been arrested in Buenos Aires, writes Paul Bettis in Rome. Italy has asked for his extradition. The arrest is expected to give the new government, a major psychological boost.

According to the Interior Ministry, Sig. Ventura after escaping from jail on January 13, went to London and then to Buenos Aires with false papers. His hiding place was traced by the Italian police in collaboration with Interpol and the Argentine authorities.

His escape caused a public outcry and led directly to the dismissal of Sig. Giuseppe Parlotto, then head of the Italian national police. However, in the eyes of the public, Sig. Parlotto had been made a scapegoat for the failings of the Government.

Turkey-PLO accord

Turkey has become the first NATO country to accord full diplomatic status to the Pales-tinian Liberation Organisation, writes Metin Minir in Ankara. Mr. Gunduz Okun, the Turkish Foreign Minister, and Mr. Farouk Khaddoumi, the PLO's Chief of Political Bureau, yesterday signed a protocol, establishing diplomatic relations.

Denmark's budget

The Danish 1980 budget presented yesterday projects a smaller defence and slower growth in public spending, writes Hilary Barnes in Copenhagen. However, by tradition the budget is not used to announce economic policy changes and alterations are after Parliament's summer recess, says Finance Minister Knud Heinesen. At present, Government spending is set at Dkr 118.9bn (£10.1bn), a rise of 7.3 per cent; revenue is expected to rise to Dkr 108.2bn, up 10.5 per cent. Total borrowing requirement is put at Dkr 39bn, almost unchanged.

Swiss prices rise

The Swiss annual inflation rate last month reached its biggest level for well over four years, writes John Wicks in Zurich. The cost of living index showed an increase over the year of 4.3 per cent. However, the rise over the previous month was only 0.2 per cent, marking a deceleration in the recent relatively rapid growth in the Swiss price index.

Polish broadside

West Germany's Social Democrat and Social Christian parties are the most serious threat to detente in Europe, according to the Polish party newspaper Trybuna Ludu, writes Christopher Bohinski in Warsaw. The attack comes on the eve of a one-day visit to the Polish capital by Chancellor Helmut Schmidt. Meanwhile in Cracow, Cardinal Wyszynski, the Polish Primate, told a crowd of 150,000 that human rights must be observed if real peace is to be preserved.

Prague may put dissidents on trial this month

BY PAUL LEVITAI IN VIENNA

THE CZECHOSLOVAK leadership is reported to be preparing a major trial of ten leading members of the Charter 77 human rights group detained since May 28.

The accused, at what would be the largest trial since the August 1968 Soviet-led invasion of Czechoslovakia, face as much as five years imprisonment if convicted on charges of "subversive activities against the state". Those additionally charged with "foreign contacts" could be sentenced to up to ten years.

Reports from Prague say the dissidents are to be tried this month, to coincide with the 11th anniversary of the invasion. However, some emigre Charter supporters discount the likelihood of a spectacular trial this month. They predict that the Prague authorities will continue their game of cat and mouse, to divert international attention from the fate of the arrested activists.

Charter 77 was a manifesto published in January 1977 protesting against what it said were violations of the human rights provisions of the Helsinki European security agreement signed by the Czechoslovak Government in August 1975. The manifesto has been signed by some 1,100 Czechoslovaks, most of whom have been subjected to harassment.

Among the detainees are two spokesmen of the Charter 77 group, Mr. Jiri Dienstbier, 42, a former foreign correspondent for Prague Radio, and Mr. Vaclav Benda, 39, a mathematician, who represents the Catholic group among the dissidents. The best-known figure internationally is Mr. Vaclav Havel, 42, the playwright, who was sentenced in October 1977 to a suspended jail term of 14 months.

All 10 of those detained on May 29, including Dr. Jiri Nemecek and his wife Dana, psychologists; Father Vaclav Malý, Mrs. Ota Bednarova, a former television commentator; Mr. Ladislav Lis, the erstwhile secretary of the Youth Federation; Mrs. Petra Uhlir, a teacher; and Mrs. Jarmila Balhova, a psychologist, belonged to the Committee for the Defence of the Unjustly Persecuted. Western observers are puzzled about the reasons for the crack-

down, which came after President Gustav Husak and Mr. Leonid Strougal, the Prime Minister, had been trying to normalise relations with neighbouring Austria and West Germany.

The Charter 77 group has released documents about such issues as nuclear safety, the plight of the gypsies, and the background of the economic difficulties in Czechoslovakia. The official campaign against it is seen by some dissidents as part of a concerted campaign, embracing the Soviet Union and East Germany, to destroy the human rights movement.



Dr. Gustav Husak

Austrian officials do not exclude the possibility that the Charter 77 leaders will again be given the opportunity to go into exile.

The last major group trial in Czechoslovakia took place in 1972, when six dissident activists were sentenced to prison terms of up to six-and-a-half years.

The Austrian border authorities report a rise in the number of refugees from Czechoslovakia and other East European countries. During the first half of this year, 1,555 East European refugees by defectors asked for asylum in Austria, compared with 1,372 in the same period of 1978. Most of them came from Poland, Czechoslovakia, Romania and Hungary.

French shipworkers block liner's departure

BY ROBERT MAUTHNER IN PARIS

ANCY FRENCH shipyard workers yesterday carried out their threat to prevent the departure of Le Havre of the former transatlantic luxury liner France, which is due to be converted into a cruise ship by its new Norwegian owner.

Since Tuesday, members of the Communist-led CGT union, who are protesting against the

award of a refitting contract to a West German instead of a French repair yard, have occupied a harbour lock to bar the liner, recently re-christened the Norway, from leaving Le Havre.

The protesting shipyard workers have been joined by tug-boat captains and crews, who have refused to tow the ship out to sea as long as the lock at the entrance of the port

is occupied. The strikers have been helped by unfavourable weather conditions, which would in any case have delayed the departure of the liner.

The shipyard workers have announced that they will continue their protest action until they have been given satisfaction. They have sent a telegram to President Giscard d'Estaing demanding that at least some of the repairs to the ship should be carried out in Le Havre.

The Norway's new owner, Mr. Knut Kloster, gave Le Havre repair yards first option of refitting and converting the liner into a Caribbean cruise ship. But the French bid was so much higher than that of the Hapag-Lloyd shipyard in Bremen, that he was left no other choice than to award the contract to the West Germans.



EEC Trade Commissioner Wilhelm Haferkamp

EEC probe on expenses tests power of Assembly

By Giles Merritt in Brussels

THE EUROPEAN Court of Auditors report which severely criticises EEC Commissioners' spending, is also likely to fuel controversy over the powers of the European Parliament. The investigation into the expenses incurred by the 13 Commissioners was instigated by Parliament early this year, apparently to emphasise its claim to be the Community's financial watchdog.

After Press allegations last January that Herr Wilhelm Haferkamp, the EEC External Relations Commissioner, had made extravagant use of his expense account, Sig. Emilio Colombo, the then-President of the European Parliament, asked the Luxembourg-based Court of Auditors for a detailed analysis of Commissioners' expenses.

The Parliament's demand for an independent review coincided with the quarrel then raging between Parliamentarians and the EEC Council of Ministers over the European Assembly's budgetary authority. The decision to scrutinise Commissioners' expenses was widely interpreted in Brussels as an attempt by the outgoing Parliament to arm its directly elected successor with a powerful weapon which would help it gain greater authority.

The Parliament enjoys the ultimate sanction of being able to fire all 13 Commissioners if it wishes, although it cannot pick out individuals.

Despite the political ammunition that the Court of Auditors report clearly provides for a European Parliament seeking increased power, there has been no indication that Mme. Simone Veil, the Parliament's new president and former French Health Minister, was on the point of making it public.

Jmathan Carr adds from Bonn: The report's revelations are likely to bring sharp criticism from Bonn and demands for change—not least from the Finance Ministry and from Herr Helmut Schmidt's Chancellery. When the press reports on the EEC Commission's emerging, both coalition parties in the German Government spoke out in the Commission's favour. He is a member of Herr Schmidt's Social Democrat Party, and has a trade union background.

Prospects poor for narrowing wealth gap

By Our Foreign Staff

THE WEALTH gap between the world's richest and poorest nations is unlikely to narrow in the next decade, the World Bank reported yesterday. It said in its annual World Development Report: "It is clear that massive disparities in living standards will persist among the nations of the world."

Gross Domestic Product per capita in developing countries is expected to grow at an annual rate of 3.3 per cent between now and 1990, lifting it from \$489 in 1975 to \$773 in 1990—an overall increase of 54 per cent. During the same period, industrialised countries can expect to grow at a rate of 3.7 per cent a year, raising GNP per capita by 70 per cent to \$9,999.

The developing countries' share of global GDP is expected to rise by about 5 per cent to 30.2 per cent, while the share held by the industrialised countries should fall by 2 per cent to 62.5 per cent. Export shares rarely change.

Nearly half the population in the developing countries lives in "low income" Asia, yet this region accounted for only 14 per cent of the developing countries' GDP, 7 per cent of their exports and 10 per cent of their net capital flows in 1976.

"Nor are these shares expected to change significantly by 1990," the report says.

Developing nations must find work for another 500m by year 2000

BY DAVID DODWELL

THE DEVELOPING countries will have to find jobs for more than 500m extra people between now and the end of the century, according to the World Bank.

In the World Bank's second annual World Development Report, published today, it says job creation will be one of the foremost problems confronting leaders of the poorest nations. It will be accompanied by urban population growth on an unprecedented scale.

As the total labour force in developing countries rises from around 750m now to 1,250m by the year 2000, the number of people living in towns and cities in these countries will soar from 650m now to over 1,600m. Many people already in these cities live on the margins of absolute poverty. Two formidable problems have to be faced: finding productive work for the arrivals, and averting a collapse of health services, sanitation and other public services in the cities which will house them.

The report is the second of a series dedicated to assessing the balance between industrial and agricultural development, unemployment and under-employment. It concentrates on what it calls the "middle income countries," a diverse group of 55 countries which the World Bank feels have certain traits in common.

First, they have an average per capita income of more than \$300. Second, each has a well-established industrial base: in 1975, the average contribution of manufacturing industry to Gross National Product (GNP) was 37 per cent. Similarly, in 1975, an average of 47 per cent

of their respective populations lived in urban centres.

In analysing the problems facing these middle income countries, and in formulating alternative development strategies, the bank moves away from its usual emphasis on world trade, interdependence, and the short-sightedness of protectionism.

It examines the obstacles to economic growth that persist inside poor countries: the balance between industrial and agricultural development, unemployment and under-employment; income distribution; population growth; the impact of energy price increases; and the problems of raising investment capital both domestically and on the international money markets.

The bank considers urban growth to be "inexorable"—and not necessarily all bad. The concentration of population in cities is "a necessary adjunct of a development process which relies predominantly on the

growth of modern industry rather than on agriculture."

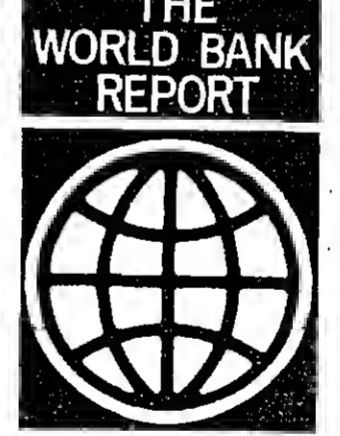
It says the view that cities are "hardened with a flood of uneducated, unskilled and unmotivated migrants" is false. Migrants are comparatively well educated and highly motivated, and "are not represented disproportionately among the poor or the unemployed."

Second, cash should be spent on developing agriculture, particularly small farms. These are "fundamental to the expansion of employment and the alleviation of poverty in most middle income countries," the bank says. It recommends governments to invest heavily in roads, rural electrification, and rural non-farm enterprises—a process which would "forge mutually beneficial links between industry and agriculture"—and of course lessen the lure of urban employment.

The bank then recommends that new cities be built, and that greater efforts should be made to control population growth. To create new jobs, the bank again sees agriculture as the brightest hope. The small farm has shown a remarkable capacity to provide employment for rural labour, the report says. Land distribution and the widespread distribution of credit and extension services are also important for generating employment in agriculture, it says.

Similarly, non-farm rural work in tanning factories, repairing agricultural machinery, or maintaining irrigation systems—offers considerable employment potential. The World Bank argues that these countries which have "biased" their economic growth towards industry—and this includes those which opted for import displacement rather than export-led growth—are growing at a slower rate than those concentrating on agriculture.

Rapidly rising energy costs have slowed economic growth in developing countries, but not to the extent that many analysts



The bank is cautiously optimistic for the future: "The increase in the real price of energy during the next decade need not be large if sustained efforts are made to develop both oil and non-oil energy resources and to restrain demand for energy, and if there are no major production setbacks as a result of political disturbances or oil conservation policies."

Developing countries are to be helped to explore and develop domestic energy sources, to increase the efficiency of non-commercial and non-conventional energy sources, and to adjust to higher energy prices.

The most serious worry is that of a disrupted energy supply. A gradual and predictable increase is preferable to "sharp changes at unpredictable intervals," the bank argues.

None the less, it says if real oil prices rise 30 per cent above present levels by 1990, \$30bn will be added to the balance of payments burden of non-oil producing developing countries. This would be some 3 per cent of their total exports by that year, and nearly 20 per cent of expected long and medium term capital inflows.

Irish lower growth rate target to 5%

BY STEWART DALSY IN DUBLIN

IN THE first official government projections for the Irish economy this year, the Department of Finance maintains that a 5 per cent growth rate in gross national product (GNP) could be achieved. The Government has also formally lowered its target from 6.5 per cent earlier.

The 5 per cent growth now forecast is higher than other organisations are predicting. The highly respected Economic and Social Research Institute has said it thinks the Irish economy will grow by only 2 per cent this year. The EEC has predicted 3.5 per cent growth.

Moreover, the Government's 5 per cent projection is conditional. In the Department of Finance's Economic Review and Outlook Summer 1979, it says: "A growth rate as high as 5 per cent could be achieved. This expectation depends on a significant improvement in the industrial relations climate and an energy supplies not acting as a greater constraint than currently appears likely."

In other words, the 5 per cent forecast seems an optimum, based on the hope that wage increases are contained within the 16 per cent rises the document envisages, and the likelihood that oil prices will not go on rising too steeply.

Talks on Norway-Iceland fishing dispute to restart

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

THE NORWEGIAN Government has averted a "fish war" with Iceland by ordering Norwegian boats to stop fishing off Jan Mayen Island by noon on Saturday. It has also agreed to an Icelandic Government suggestion that the two countries resume negotiations on fishing in the area. Earlier talks broke down at the beginning of July.

The situation reached a climax this week when Mr. Kjartan Johansson, Iceland's Fisheries Minister, warned Norway to halt fishing for capelin off Jan Mayen, claiming that the Norwegian catch had already reached the 90,000-ton target provisionally agreed during the aborted July talks.

The dispute arose when the Norwegian Government, under strong pressure from its fishermen, announced its intention to declare a 200-mile economic zone. This zone would overlap the 200-

The paper has little specific to say about the other two goals of government policy outlined in a White Paper earlier this year. Besides the 6.5 per cent growth rate, the Government had hoped to reduce unemployment by 25,000 this year (it is now something under 100,000, out of a workforce of 1.1m). It also had hoped inflation would be down to 5 per cent by the end of the year.

White unemployment has been falling this year, inflation has risen, largely because of the cost of oil, of which Ireland has no indigenous sources. The document gives no yearly figure for inflation, but says the seasonal price index for the first two quarters increased by over 7 per cent.

Independent organisations are predicting a yearly rate of between 12 and 15 per cent. The document forecasts a \$500m balance of payments deficit, compared with £158m in 1978. However, it feels confident that this gap will be covered by capital inflows.

The impact of the energy crisis and industrial unrest on growth and employment in 1979 and subsequent years will be considered in a White Paper to be published later this year.

mile zone which Iceland declared in 1975, sparking off the "third" war with Britain. There are wider political considerations because opposition in Iceland to the North Atlantic Treaty Organisation base at Reykjavik, outside Reykjavik, tends to grow whenever Icelandic fishing rights appear to be threatened by a NATO ally. The Norwegians have accordingly tried to gain Iceland's agreement.

Icelanders reject Norway's right to create such a zone. They are particularly concerned because the capelin caught by Norwegian purse seiners off the island belongs to the stock heavily fished by Icelandic boats later in the year. Norwegian fishermen turned their attention to Jan Maye after their share of the Barents Sea capelin fishery had been severely cut by an agreement with Russia.

هكدامن الأصل

OVERSEAS NEWS

Run-off likely in Nigeria's presidential election

BY MARK WEBSTER IN LAGOS

A RUN-OFF is almost certain in Nigeria's Presidential election after the declaration yesterday of the result from the northern state of Kano. The National Party of Nigeria, the only party with any chance of winning on the first round, has failed to gain the required 25 per cent of the vote in two-thirds of the states because of its poor showing in Kano. To ensure a national character to the Presidency, the constitution says a candidate must obtain at least one-quarter of the votes in two-thirds of the 19 states before he can be elected on the first round. With 17 of the results declared, it is clear that the National Party under its Presidential candidate, Alhaji Shehu Shagari, cannot achieve the minimum. It is likely to do so in 12 of the states and the next biggest party, the Unity Party of Nigeria, has achieved the 25 per cent minimum in only six of the western states, where it has its stronghold. The National Party has challenged the accepted interpretation of the two-thirds ruling saying that it needs only 12 states with 25 per cent and one with two-thirds of 25 per cent. If the party can persuade the Federal Electoral Commission to accept that interpretation, they would be winners in the first round because the National Party did win 20 per cent of the vote in Kano. But members feel the commission is unlikely to accept such an interpretation. If the National Party interpretation is rejected, the run-off will be decided by an electoral college consisting of the two federal Houses of Assembly—the Senate and the House of Representatives—along with the regional House of Assembly members from each of the 19 states. They should assemble in Lagos next Saturday for the vote. From the results so far, the National Party clearly has the biggest following, having united the powerful northern vote with that of the minority tribes around the country. But it does not have an absolute majority of the votes in the electoral college and will therefore have to depend on one of the smaller parties for support. The next largest party, the



Chief Awolowo—determined to be President.

Unity Party, could also take the presidency provided it could get the support of one or more of the other four parties. Its presidential candidate Chief Obafemi Awolowo is said to be determined to secure the presidency for himself and has already suggested various alliances. The real power broker will be the third largest party the Nigerian People's Party led by Dr. Nnamdi Azikiwe. His party has taken three of the 19 states and he could decide the contest by directing his party members to vote for one of the other parties. The picture is complicated by many ethnic and personal conflicts between the parties and their candidates. Observers feel for instance that People's Party supporters who are mostly from the East of the country, would not be prepared to vote for Chief Awolowo who is from the West. The likely victor, therefore, remains the National Party under Alhaji Shehu Shagari. Being a Northerner he will also be seeking support from the other two smaller parties which also have northern bases, the Great Nigeria People's Party led by Alhaji Waziri Ibrahim and the People's Redemption Party of Alhaji Aminu Kano.

A lucrative brain and brawn drain

The Philippines is faced with an exodus of workers attracted by higher wages in areas such as the Middle East. DANIEL NELSON reports from Manila on the value to the country of this export of labour and on efforts by Filipino companies to secure overseas contracts.

WHEN THE son of a Filipino businessman was shot dead in a Manila street recently, it was assumed the murder was an aborted kidnapping. It turned out that the victim was taking revenge for the broken promise of a job abroad. In a country with an unemployment rate of 6 per cent and underemployment at about 10 per cent of the labour force, overseas jobs provide a useful safety valve. They are also increasingly valuable in terms of foreign exchange earnings. Remittances (including those of seamen) totalled \$150m in the first half of this year up from \$117m in the same period of 1978. (Construction workers and seamen are required to remit 70 per cent of their earnings, other workers 30 per cent.) The export of land-based labour began in the 1920s with recruitment for agricultural work in Hawaii. There are now over 500,000 Filipino immigrants in the U.S. The emphasis shifted in the 1960s with the demand for loggers in Indonesia and for construction workers in south-east Asia for projects associated with the Vietnam war. Since 1974, however, the thrust has been in the Middle East, particularly Saudi Arabia. An International Monetary Fund survey found that Filipinos working in the Middle East remitted \$474m between 1974 and 1977. The proceeds represent a brain as well as a brawn

drain, for one out of every six workers came from the professional or technical categories. The exodus has created shortages of welders, computer operators, cable splicers and other skilled workers at home. Oil refiners have been particularly vocal about losing staff and even bus operators complain that it is increasingly hard to retain drivers. The Overseas Employment Development Board has drawn up a list of "critical skills" and asked that their outflow be staggered. Another headache is provided by illegal recruitment agencies, which constantly run off with job-seekers' fees, or recruit for jobs where conditions are harshly exploitative. Over 200 cases against illegal agencies are awaiting court action. The government failed to eliminate the private agencies, and is now content with having reduced their number from 200 to 19. Demand for Filipino labour is based on the widespread use of English in the Philippines (which likes to describe itself as the world's fifth largest English-speaking nation), avail-

ability of skills, and personal adaptability. The shift to the Mideast began with the despatch of 3,500 medical personnel to Iran in 1975. Within a month, thousands of other doctors and nurses, entertainers, hotel and clerical staff and, above all, construction workers, were heading for the Arab world. According to the Overseas Placement Association of the Philippines, 39,180 workers were sent abroad last year, mostly to the Middle East, compared with 36,305 in 1978 and 12,000 in 1975. In an attempt to emulate the success of the South Koreans, who had \$100m worth of construction contracts underway in the Middle East last year, the Government established the Overseas Construction Board and the Export and Foreign Loans Corporation, and stipulated that Filipino construction workers could be recruited only for contracts won by Philippine companies. This has not yet been achieved, although contractors have been helped by the two organisations. Last year, the

corporation approved 675m pesos (about £12m) in advance payments and performance guarantees, almost all on Middle East contracts. And in May, the organisation signed a \$60m agreement with Credit Suisse to guarantee contractors' operations in ten Arab countries. This is expected to become operational by next September. The deal, which should save contractors between 1.5 and 2 per cent of financing expenses, is said to be the first guarantee facility given directly to a government financial institution available in several countries and for the use of several companies. It involves the largest group of leading Arab financial institutions represented together in the management of a transaction. Col. Edgardo Abesamis, Deputy Executive Director of the construction board, says \$360m worth of new contracts were signed last year, with the 1979 level likely to top \$500m. Net remittances by Philippine companies rose from \$9.97m in the last quarter of 1978 to \$21.17m in the first quarter of 1979.

Almost 80 per cent of the contracts are accounted for by four companies: the Construction Development Corporation of the Philippines (CDCP), Atlantic Gulf Erectors, and Engineering Equipment (EEI). Apart from the straight economic benefits, the Government is keen on the Middle East as a labour destination because it helps counterbalance the two other main links with the region: Manila's dependence on Arab oil, and the Islamic Conference's commitment to autonomy for the Moslem minority in the southern Philippines. That minority is waging a deliberating war against the central Government, but is useful in providing manpower for contracts requiring Moslem workers, as in the CDCP's \$171 stormwater project in Mecca. EEI is exploring the possibility of joint ventures with Malaysian companies for jobs in which religious affiliation is a key factor. The biggest operational problem is the boredom of the workers, who miss the wine, women and songs of their homeland. "Does that mean you won't be going back?" I asked a construction worker celebrating his return. "Oh, no," he replied. "I can earn eight times more than my salary in the Philippines."

Fraser's coalition seeks better image

BY JAMES FORTH IN SYDNEY

THE FEDERAL EXECUTIVE of Australia's Liberal Party will meet in Canberra next week to examine ways to reverse what it sees as the recent fall in the popularity of the Liberal-National Country Party coalition Government. The meeting will be presided over by Mr. Malcolm Fraser, the Prime Minister, who returned from the Commonwealth Conference in Lusaka to find genuine concern in the Administration about the poor public image of himself and his Government. Public opinion polls have shown that if an election were held now the Government would suffer a resounding defeat. Mr. Philip Lynch, Deputy Leader of the Liberal Party, has just completed a tour of Australia during which he spoke to senior Party officials, parliamentary leaders and others. He found considerable dissatisfaction with Mr. Fraser's leadership in recent months and concern over the Government's apparent inability to sell its policies to the public. The Prime Minister accepted most of the criticism in his return and agreed that he needed to "strengthen up," Mr. Fraser said. His Government might have raised expectations too high. "We certainly raised expectations too high about the economy's capacity to improve unemployment," he said. "Quite clearly, there has got to be evidence of a greater degree of determination. We have got to get the message across better than we have." Shattered expectations on unemployment are only part of the explanation. The Government is seen as consistently breaking promises on matters such as taxes and health services. Infighting between the Liberal

and National Country Party has also helped to create an impression of disunity. The most recent example was the decision of the state Liberal Parties in Queensland and Victoria to contest National Country Party seats in future elections. Mr. Fraser's unpopularity was demonstrated this week when he attended a \$2-250 (£125) health fund-raising meeting in Sydney and was greeted by a crowd of 200 people, mostly unemployed, who pelted guests with tomatoes, meat pies and soup. Mr. Fraser insists that the Government must maintain its economic policy, which was designed to reduce inflation (although the inflation rate has begun to move upwards again). After the 1979-80 Federal Budget has been delivered next week, Mr. John Howard, the Treasurer, is expected to travel Australia endeavouring to put a positive aspect on the package. A further indication of concern about the Government's performance is the suggestion that a key federal back-bench committee will recommend a reshuffle of the Federal Ministry as soon as possible. The committee is expected to recommend that Senator Reg Withers, who was sacked by Mr. Fraser after a Royal Commission into electoral redistribution in Queensland, should be restored to the Ministry. Reuter adds from Melbourne: A strike by maintenance crews responsible for cleaning pipelines has reduced Bass Strait oil production by about 30,000 barrels a day, Esso Exploration and Production Australia said yesterday. Production, carried out jointly by Esso and the Broken Hill Property Company, had been running above 400,000 b/d.

Egypt seeks U.S. aid for munitions industry

BY ALAN MACKIE IN CAIRO

EGYPT has presented a visiting U.S. military delegation with requests for aid to revamp its munitions industry. The industry formed part of the Arab Organisation for Industrialisation (AOI), which Egypt set up with Saudi Arabia, the United Arab Emirates and Qatar, and which was disbanded as part of the measures taken against Egypt because of its peace treaty with Israel. The main topic of negotiations with the U.S. delegation, headed by Mr. David McGiffert, Assistant Secretary of Defence, who left Cairo yesterday, was a list of armaments and spares requested by Egypt to offset the deterioration in the condition of its armed forces following the switch from Soviet supplies and the loss of Saudi defence aid. The loss of \$2bn a year arms aid from Saudi Arabia has left a hole in Egypt's defence budget which U.S. help only goes a quarter of the way to filling. The provision by China of up to 80 Shenyang F-6 fighters, only partially compensates for the steady deterioration in combat readiness of Egypt's MIG-21 fleet—the backbone of its strike force. Pilots are flying only a few hours a week because of problems with maintenance and spares.

A U.S. embassy spokesman declined comment on the nature of the arms Egypt had requested, but said the talks were aimed at defining Egypt's requirements. Cairo's suggestions and requests are being taken back to Washington for further study. The requests are thought to go well beyond the \$1.5bn three-year armaments aid package which Congress approved after the signing of the peace treaty with Israel. A large slice of that is tied up in the purchase of 35 F-4 Phantom fighters and 800 armoured personnel carriers which Egypt has already requested. President Anwar Sadat last week appointed himself chairman of a committee to run the Arab Organisation for Industrialisation, whose frozen deposits are fast becoming inadequate to keep its plants running. Decisions have to be taken soon with AOI's foreign partners on future financing and planning. General Kamal Hasan Ali, the Defence Minister, has announced in a television interview that the length of conscription is to be increased to secure strong armed forces. The peace treaty has brought no diminution in the military budget which is said to be about the same as last year.



The welcome we got in America could well be the one you'll get too

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*Subscriber Survey No. 1: Don Bowden Associates, 1979. †Editorial Content Analysis: The R. Russell Hall Co., Jan. 1978.

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David Buchan reports on the shake-up at the White House
Old politics behind the new faces in Jimmy Carter's entourage

JIMMY CARTER, once hailed as the creation of the "new politics" moved to honour the traditional political balances in his shake-up of the White House staff last Friday.



Backing up his Georgia advisers, Press Secretary Jody Powell (above left) and Chief of Staff Hamilton Jordan (above right).



Nor had foreigners any cause to panic and sell dollars, as they did when Mr. Carter took the axe to his Cabinet. But the White House changes will set the course for the remaining 16 months of the Carter first term.

domestic issues. But, apart from Mr. Zbigniew Brzezinski, the National Security Adviser, Mr. Donovan will apparently be the only White House man not to need Mr. Jordan's say-so to reach the President.

As one Carter aide (not from Georgia) privately put it this week, Mr. Donovan, as a high time East Coast journalist and publisher has "made it in a world that is still a mystery to a lot of people here, and which scares them slightly."

The appointments have geared up his 1980 re-election campaign, brought in a proven manager and widened the political base of his entourage, broadening his appeal at the same time in the various constituencies in the U.S. electorate.

Senator calls for Young's sacking

SENATOR ROBERT BYRD, the Democratic majority leader, yesterday urged President Carter to fire Mr. Andrew Young, his ambassador to the UN.

EEC textiles accord with China

CHINA IS to be allowed much greater access for its textile products into the EEC market but is having to accept tight new rules aimed at ensuring quota levels are not breached.

Comecon import curbs hit W. German trade

WEST GERMANY'S exports to China expanded faster than to any of the European Communist countries in the first half of this year.

Koch reports \$200m drop in NY deficit

EVERY LITTLE helps, and Mr. Edward Koch, New York City's mayor is crowing about having taken the city another small step towards financial respectability by shaving \$200m off its projected 1979 budget deficit.

New Brazilian moves to control inflation

THE STRONG-WILLED duo of Sr. Delfim Netto, Brazil's new Planning Minister and economic overlord, and Sr. Carlos Rischbieter, the Treasury Minister, took only a few hours yesterday to announce anti-inflation measures.

Michelin to expand Spain plant

Safe Neumaticos Michelin, a unit of Michelin et Cie, has told the Spanish Government that it plans a \$33m (£17m) expansion of its tyre factory near the northern city of Burgos.

Bolivian leaders accused

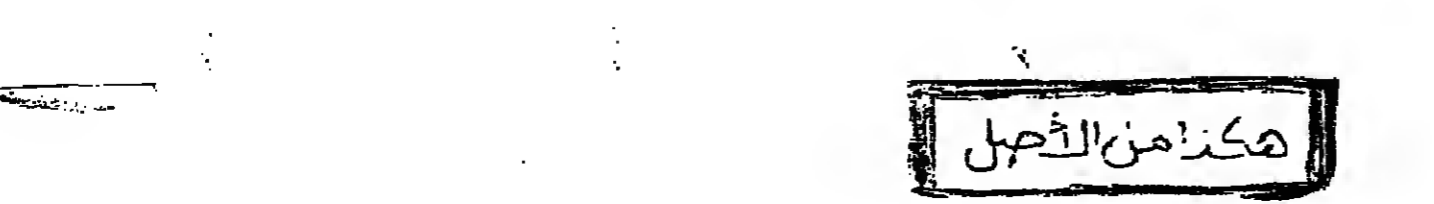
LA PAZ - Gen. Hugo Banzer, who ruled Bolivia for seven years, and Gen. Juan Pereda Asbun, another former president, were yesterday accused before the Senate of crimes against national security.

Hamilton Brothers

DENVER-based Hamilton Brothers Petroleum had net income for the second quarter of \$5.34m compared with \$4.58m, on sales more than doubled at \$58.1m against \$23.9m.

Finns win U.S. paper machine deal

VALMET OY, the state-owned engineering company, has contracted to deliver a fine-paper machine to Mead Corporation of the U.S.



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CHINA IS to be allowed much greater access for its textile products into the EEC market but is having to accept tight new rules aimed at ensuring quota levels are not breached.

The new deal covers the eight most sensitive products which qualify for the tightest MFA controls - cotton yarn and fabric, shirts, sweaters, trousers and blouses among them.

Some reactions in the U.K. have been relief that some of the initial Chinese demands have been resisted. But the industry remains concerned that the EEC has been willing to breach global ceilings on a number of sensitive products.

given on price and delivery, however, and the industry is likely to remain concerned that its supplies could be cut off if China decides to step up its own output of high quality knitted garments.

The agreement, which the EEC Council of Ministers is expected to ratify in September, effectively doubles from 21,000 tonnes to 41,000 tonnes allowable Chinese exports in 14 product areas this year.

First reactions to the agreement in the UK have been relief that some of the initial Chinese demands have been resisted. But the industry remains concerned that the EEC has been willing to breach global ceilings on a number of sensitive products.

Under the MFA agreements with other suppliers imports have to reach a certain trigger level before consultations start on possible restraint.

At the time of the MFA renewal the EEC promised to maintain these overall limits which contained within them limited provision for new suppliers.

Bid to lift Manila flights ban

FLYING TIGER is petitioning the Philippine Civil Aeronautics Board (CAB) for a reversal of a decision banning the private U.S. cargo airline from operating Boeing 747 flights in and out of Manila.

service to Guam. "They are using us as leverage in their air treaty negotiations with the U.S.," Sr. Faustino said.

Another round of the long-running Philippine-U.S. air talks is expected to be held later this year, at which PAL's Guam service, as well as its proposed thrice-weekly cargo service to the U.S. will be on the agenda.

Philippines copper plant bids close
Four companies dropped out of the bidding for the \$250m (£112.1m) copper smelter contract in the Philippines.

Greek deficit increases

THE RECENT oil price increases have pushed Greece's trade deficit in the first half of this year to \$2.9bn (£1.3bn).

Brazil orders for Japan

ROBE STEEL, a Japanese company, said it has won a \$200m (£84m) order for an automatic computer control system from Companhia Siderurgica, a Brazil State steel mill.

Yugoslav shirts pact

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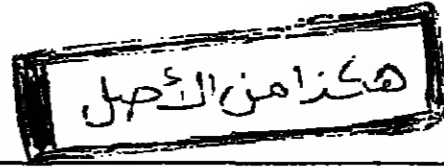
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Morley and Marsh bid for Norwich

BY JAMES BARTHOLOMEW

MR. ERIC MORLEY and Mr. Laurie Marsh, both of whom have been forced to resign from prominent public companies in the past nine months, have joined to bid for Norwich Enterprises, the holding company for the Victoria Sporting Club casino and other leisure activities.

Contracts might be exchanged on Friday or Monday, Mr. Morley said yesterday. The new team would move in straight away and not wait for completion of the contract.

He gave a warning, however, that the deal was not yet completed and might fall through.

The Victoria Sporting Club was raided by more than 100 police at 3.10 am on December 8. Seven staff were arrested and five, including Mr. Anthony Jackson, the managing director, were charged with theft and offences against the Gaming Act, 1968.

The police have applied for cancellation of the club's gaming licence, but the application has yet to go before the magistrates.

Since the application, the club has appeared to be up for sale. Several people and companies have been rumoured to be interested, including Sir James Goldsmith, chairman of Générale Occidentale.

A change of ownership might improve the club's chances of retaining its valuable licence. Mr. Morley has credentials as a former chairman of the British Gaming Association and of the Mecca Group, which owns four London casinos.

Mr. Morley says that the gaming licence is being valued at nothing. That move may please the Gaming Board, which dislikes value being given for licences under threat.

Mr. Morley resigned from the Board of Grand Metropolitan at the end of last year after differences over management style. He received a £200,000 golden handshake.

Mr. Marsh resigned from

Associated Communications Corporation a month ago for similar reasons and received £125,000.

They will each have half the equity if the deal goes through. Mr. Marsh and his backers will provide the bulk of the loan finance and have control until the loans are repaid.

Both men said yesterday that they expected to be able to work well together. Their previous companies had not understood entrepreneurs, they said.

Mr. Marsh will be responsible for the finance and the properly of the business while Mr. Morley will run the leisure activities. Those include betting shops, bingo and travel companies as well as the casino.

The aim is to create a big leisure and property group, which may one day become a public company. Mr. Morley has been working on the idea for more than four months. Mr. Marsh has joined in only in the month since his resignation from Associated Communications.

Drastic new race laws called for by Powell

By Elinor Goodman

MR. ENOCH POWELL, the Ulster Unionist MP for Down South but still the hackbencher most closely associated with the whole question of immigration, brought the debate into the fore-front again yesterday with a call for a new code governing the rights of British citizenship. He appeared to be suggesting that the vast majority of Britain's coloured community should be stripped of their British citizenship.

Mr. Powell, speaking at Bureh Health in terms which he would regard as precise, but which left his audience to make their own conclusions about where his policies would lead.

Again accompanying his proposals with forecasts of the way in which Britain's coloured population was bound to grow, he did not detail what would happen to them once they had lost British citizenship. In the past he has advocated voluntary renunciation.

The implication of what he said yesterday was that they would no longer have the right to continue living in Britain and that some would have to leave.

Mr. Powell's speech, which the anti-apartheid movement had tried to stop, was deliberately timed to coincide with the Government's review of immigration controls. The Conservatives are committed to introducing a new British nationality Act.

Dual rights

What Mr. Powell seemed to be trying to do was to draw attention to the way in which he believes the Conservatives' proposals would be totally emasculated by their own promise not to "adversely affect the rights of anyone now permanently here."

He claimed that there was palpable evidence of a future England with London and major cities having a population of up to one third of "new Commonwealth ethnic" origin. He said that the crux of the problem was the question of dual citizenship, which allows immigrants to retain the citizenship of their country of birth alongside British citizenship.

Britain, he said, ought to say to anyone who was a citizen of another country that he could not be recognised as a British citizen unless, so far as it lay within his own control, he renounced that other citizenship and the UK found "good and sufficient reason" in his individual case to admit him to its own citizenship.

The overwhelming majority of the new Commonwealth and Pakistan ethnic population of this country were citizens of their or their parents' countries of birth.

State aid plea for £277m Tyne Metro

A DELEGATION from Tyne and Wear County Council saw Mr. Norman Fowler, Transport Minister, yesterday in an attempt to win help in meeting the increasing costs of the £277m Tyne Metro system, now 3½ years behind schedule.

Mr. Fowler agreed to discuss the matter with other Government departments before coming to a decision. But he told the delegates of the Government's difficulties over any increase in public spending.

Tunnel opens way for fastest Scots express

By Lynton McLain

BRITISH RAIL has completed the £2m by-pass of the Peamanshill Tunnel on the east coast main line ahead of schedule. The fastest Flying Scotsman train to attempt the London to Edinburgh run will use the new route for the first time on Monday.

The Flying Scotsman will leave King's Cross at 10 am following the pattern set in 1862 when the "Scotch Express" set off on its first, 10½ hour journey.

The latest train is to take four hours and 30 minutes, and if it arrives on time it will be greeted with relief by British Rail. Services on the east coast have been disrupted since March, when the Peamanshill Tunnel between Berwick and Dunbar collapsed, trapping and killing two workmen.

Royal Doulton's world beater

THE 50-MILLIONTH piece of the world's best-selling bone china pattern, "Old Country Roses," will be produced in Stoke-on-Trent today.

The pattern has been marketed by Royal Doulton Tableware under the Royal Albert name for 17 years.

To mark the occasion Mr. Richard Bailey, the managing director will take a specially-made soup tureen from the kiln at the St. Mary's factory, Uttoxeter Road, Longton. It will later be presented to the Hudsons Bay Company of Canada, one of the largest customers of the pattern.

Banks consider changes to money supply control

FINANCIAL TIMES REPORTER

THE CLEARING banks are considering ways of improving the system for controlling the money supply.

This is part of the consultations which the Bank of England is having with a wide range of City interests after an article outlining the monetary base system as an alternative to the "corset" in the June issue of the Bank's quarterly bulletin.

As an initial step the

clearers' economists have drafted a paper examining both methods. It argues that the "corset," which controls the growth of the banks' interest-bearing eligible liabilities (IBELs), is unfair and, for the most part, inefficient as a mechanism for controlling the money supply. The paper also points out that IBELs control gives banks many ways of avoiding restraint on lending.

The bank economists do not favour a changeover to the monetary base system. Instead they list a number of changes which could be made to the control mechanism to bring it closer to monetary base control.

The Bank of England paper warned that one effect of monetary base controls might be the sharp curtailment or disappearance of the overdraft system.

Economic recovery is likely to continue for a few months

BY DAVID FREUD

ECONOMIC RECOVERY is likely to continue for the next few months, according to figures released by the Central Statistical Office.

But officials said the figures, designed to predict cyclical turning points in the economy, were more unreliable than usual due to the winter disruption and its after-effects, as well as the Budget spending boom.

The longer-term indicators, which look forward about a year, were less affected by the distortions.

The index of these indicators fell again in July due to a continued increase in short-term interest rates and a further fall in the FT-Accurates 300 share index.

This index has been falling since the end of 1977, except for a slight hiccup this spring. It suggests that a sustained recovery is unlikely to take place before next autumn at the very earliest.

The industrial disruption of the winter, together with the catch-up period and the heat-Budget shopping boom, have had most effect on the figures that make up the index of shorter leading indicators, which look forward about five months.

For this reason officials argue that this index is reflecting non-cyclical trends and cannot be relied on for predictions.

The index rose for the fourth

consecutive month in June, due to further increases in consumer credit extended and new car registrations.

The conventional interpretation of the gain in this index would be a buoyant economy between July and at least November.

While officials are sceptical of the reliability of this prediction, there have been other signs recently that the expected recession may be delayed until the end of the year.

The CBI's latest trends survey found that below capacity working was at its lowest level for five years, while industry's demand for bank loans still appears to be at a high level.

BL plans to halve Princess output

BY LISA WOOD

BL'S PRODUCTION of its Princess model — reintroduced last October — is to be halved, with resources switched to smaller models for which there is growing demand.

The company announced yesterday that the night shift on the Princess production line at Cowley would end next month.

The 500 workers will be transferred to Marina and Maxi production, and a few may be asked to take early redundancy.

BL launched the Princess Mark 2 last October and produced about 1,000 a week at Cowley. In the first six months of this year it sold 19,000 and it has said that demand for the car matches that of last year.

The company said: "Princess sales are not falling away, but we need to capitalise on increased demand for other cars in our range in view of the recent emphasis on fuel economy. We anticipate that future demand for the smaller models will continue. Therefore we are reviewing our manufacturing operations in line with the needs of the market."

It has had record sales in the last few months of its Mini. The company announced earlier this month that there was to be a wide review of the structure and operations of Jaguar, Rover, Triumph, BL's specialist car subsidiary, in the light of the sharp rise in the value of the £ and changing attitudes towards fuel

Manx Radio angry over frequency

By John Lloyd

THE CHAIRMAN of the Isle of Man Broadcasting Commission has accused the Home Office of breaking an agreement, with the result that the island's radio station cannot be adequately received by its 80,000 potential listeners.

Manx Radio, Britain's smallest local radio, was allocated a new frequency, 219 metres medium wave, (1388 kHz) by the Home Office last year.

Dr. Edgar Mann, the Manx Broadcasting Commission's chairman, said yesterday that the Home Office said the frequency would be for the station's exclusive use.

However, it has now been decided that three new BBC local radio stations—in Lincoln, Swindon and Crawley—would share the frequency when they come on the air in the early 1980s.

Observer

Dr. Mann said: "This will cause us very serious problems. It will interfere with our programmes and our power output."

The Isle of Man Government is to consider sending an observer to the World Administrative Radio Conference in Geneva next month. The conference will attempt to allocate frequencies for radio use throughout the world over the next twenty years.

The Home Office said last night that it was not aware of any agreement made about the frequency with the Manx Broadcasting Commission.

The frequencies for the new BBC local radio stations were "still in the melting pot."

Meriden creditors show sympathy

BY ELAINE WILLIAMS

CREDITORS OF the Meriden Motorcycle Co-operative have asked the Government to continue to give its support to the company while it seeks a financial partner.

Last month two Government agents agreed to wait an unspecified time before asking for payment of £1.2m interest overdue on a loan.

Mr. Geoffrey Robinson, MP for Coventry NW and unpaid chief of the co-operative, co-managed yesterday that creditors had given their "full support" for the search for a partner.

Mr. Robinson, who has been visiting European companies in search of a buyer, such as Moto Guzzi or Morrell of Italy, said that there were "six distinct possibilities" among the organisations he had spoken to.

Mr. Robinson expected that the co-operative will have until the end of September to find the interest overdue on the Government loan.

Mr. Robinson said that the organisation now had a "fighting chance for survival" and insisted that the talks were a reassuring first step towards a partnership. He refused to be tied down to even a country where a possible backer would emerge and mentioned the Far East and even other parts of the UK where approaches had been received.

The remaining 620 members of the co-operative are holding a mass meeting today to decide whether to retain four-day working or to sack another 90 to bring the number in line with a reduction in output to 200 machines a week.

Revenue 'did not ransack bank offices,' court told

THE INLAND Revenue yesterday denied allegations that it had "ransacked" the premises of Rossminster, the London bankers, during investigations into tax allegations.

Mr. Brian Davoport for the Inland Revenue, told three Appeal Court judges that the search of the company's offices in Hanover Square, Mayfair, on Friday, July 13, was not a case of "removal men" rushing in, seizing everything and rushing out.

The search by tax officers lasted 12 hours. "Before going to the premises, the officers were given instructions as to what they should look for," Mr. Davoport said.

Rossminster, which is challenging the scope of the Inland Revenue's "search and seize" powers, had complained that some of the items seized could not possibly be used as evidence in tax proceedings.

Mr. Davoport said some items, such as a parking offence warning, had now been returned. Others were kept.

In fraud inquiries, the contents of senior executives' desk drawers, with letters or the contents of a wastepaper basket, might be evidence of considerable importance.

Lord Denning, Master of the Rolls, Lord Justice Browne, and Lord Justice Goff are expected to give judgment on the appeal today.

NEWS ANALYSIS—DALGETY'S PLANS

Spillers a key to growth

BY CHRISTINE MOIR

DALGETY'S bid for Spillers— which was rejected last night— is aimed at creating the largest British-owned food and agricultural company. And it does not intend to stop at Spillers.

Mr. David Donne, Dalgety's chairman, said yesterday that the bid would give the group "a strong equity base on which to get larger." But the company would expand only where it was right.

Obviously the past 2½ years of accelerating expansion has not been enough to appease Dalgety's appetite for growth. It aims to create a three-pronged business with equal interests in Australia, New Zealand and (historically Dalgety's main sphere of influence), North America and the UK.

So far the expansion programme has involved two rights issues of nearly £30m, and the raising of a £60m loan facility in the U.S. Now the equity base, already swollen by fourth-fifths by the past two issues, is intended to increase again by more than 50 per cent.

The bulk of recent acquisitions have been in the U.S., where Dalgety has been building up a major frozen food business. It claims to have 14 per cent of the frozen vegetable market in the Pacific north-west sector, since its purchase of Martin-Brower, the U.S. frozen food dis-

tributor, for £20m, and Cedar-green Food Corporation, which processes vegetables.

Spillers's U.S. interests are not large, but early last year it bought Modern Maid, a manufacturer of flour-based food ingredients in the U.S. To date, the acquisition has proved troublesome. First-quarter figures showed losses of £2m.

Dalgety's attitude to Modern Maid highlights its philosophy concerning the merger with Spillers. It is undaunted by the losses, and believes that these can be sorted out by its own strong U.S. management team. It is enthusiastic about how Modern Maid will fit in with Dalgety's existing U.S. distribution and marketing set-ups, and how it will complement and expand the range of products that Dalgety delivers to "super-market backdoors."

Flour fortunes

It is clear that Dalgety wants to take over Spillers because it sees opportunities for adding value by marketing and distribution rationalisation in the food products which the two have in common—meat, eggs, poultry and groceries. It is also interested in the increased market share it will gain by merging the animal feeds businesses.

Spillers's flour milling side, although it probably accounts for well over half of Spillers's profits, does not seem to figure powerfully in Dalgety's plans. It simply intends to keep the flour business going as a separate division.

However, the fortunes of the flour side are important to the financial rationale of the bid. Dalgety states that the offer—

one of its own shares for six shares of Spillers—has been worked out to avoid any earnings dilution.

Spillers's flour business—now relieved of the hideous burden of the baking side which was split up among the other market leaders last year in a last-minute rescue—is crucial to the maintenance of those earnings. It is a problem area this year.

Spillers says that up to the turn of the year margins on flour had been satisfactory, but since then wheat costs and wages have risen. This is likely to depress profits this year, particularly in the first half.

It is difficult to reconcile the critical importance of the flour business with Dalgety's claim that the bid will be widely welcomed because of its overwhelming commercial, rather than financial, sense.

For all its expansion into areas of food manufacturing and processing, Dalgety's skills remain in the areas of agricultural and food merchandising. And these will not be of much help in a recovery struggle in flour.

Nor would Dalgety be readily able to sell off the flour business since the obvious buyers are under tight rein by the Monopolies Commission.

In any case, Spillers obviously intends to resist the bid and get on with its own £20m expansion and improvement programme.

This will almost certainly include a big drive to get up more of the successful Mario and Franco restaurants — another area foreign to Dalgety — and further promotion and expansion of grocery products such as the Cook In Sances.

Meanwhile, it hopes for the critical increase in the price of flour by September.

OTHER MEN'S JOBS: ERIC SHORT TASTES THE NOSTALGIA OF A FERRY

Tourists queue for slow boat to the Broads

A PROBLEM that intrigued me as a boy concerned the ferryman who had to cross a river three items—a goat, a dog and a basket of vegetables. His boat could take only one of these three on any journey, and he could not leave the goat and dog together, nor the goat and the vegetables. How does he get them across the river?

Well, this type of problem faces David Archer, owner of the ferry across the River Yare at Reedham in Norfolk, at various times during his working day, seven days a week for most of the year. For his is the last of the famous Norfolk ferries that at one time operated at intervals along the river network of the Broads.

The present Reedham ferry, built in 1824, is typical of these ferries that were once a familiar sight in the Norfolk landscape. It is flat bottomed, rectangular in shape, measuring 30 feet by 15 feet. Its operation is simple.



It crosses the river by the power of winding a chain. This is a relic of the old days, when the ferryman crossed the river simply by pulling on a rope tied between the banks. A wooden ramp at each end of the ferry enables vehicles and passengers to get on and off.

This was perfectly adequate to cross the 150-foot wide Yare when the users were local farmers and geotry. But carrying modern cars on this type of ferry causes David Archer and his assistants problems of packing in the vehicles. The ferry can take two ordinary cars if they are set bumper to bumper, or three minis at a squeeze. But if the car is towing a trailer, or is extra long, then only one vehicle can be carried.

If only the occasional car took this route there would be no problem. But the ferry is now a tourist attraction and considerable use is made of it by holiday-makers going to and from the Broads.

Often there are cars waiting



David Archer, proprietor of the ferry—and of the Ferry Inn.

on both banks. The problem is now strictly to keep to the queue order: for instance, a car with a trailer can be accompanied by a Mini.

But this is not the only problem that can delay a crossing. There is steady river traffic with coasters sailing up and down the Yare to and from Norwich. The river itself is cluttered with holidaymakers sailing on the Broads with varying degrees of skill. The ferry has to give way to these boats. It is not uncommon for an amateur sailor to foul the chain because he has got on to the wrong side of the ferry.

The records held by David Archer show that there was a ferry running in the late 17th century, when this was the only practical means of crossing many rivers in Norfolk.

With the advance of technology and the advent of the motor car, the practical need for ferries at frequent intervals diminished and one by one they have disappeared from the scene. When David Archer's father took over in 1949 the Reedham ferry had almost fallen into disuse.

But not quite. The Archer family, who came to Reedham from London to get out of the rat race, saw the tourist potential of the ferry. The Yare ferries carry 38 miles between Yarmouth and Norwich, with no road bridge between those two places. Some holidaymakers heading for the Broads would wish to avoid Yarmouth and Norwich and aim to cross via the ferry. And this has turned out to be the case.

Now, during the height of summer, the ferry carries more than 200 vehicles a day. Since a return crossing averages 10 minutes, there are considerable queues on both banks. When I visited the ferry there were more than 20 cars waiting on the north bank at midday. Since it would have been quicker to make a diversion, whether en route to Yarmouth or Norwich, the drivers, presumably, were happy to wait.

For David Archer, queues are doubly profitable. For he is also the landlord of the Ferry Inn, a tree house which stands on the north bank. The ferry rights belong to the inn, which

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As the energy scene unfolds and the debate heats up, opinions come thick and fast. The pressure on commentators to prophesy is strong, and few can resist. Frankly, at Shell we're inclined to be cautious. This time last year, oil seemed to be plentiful and the oil companies believed there would be a surplus for some years.

As an Arab proverb has it, 'He who foretells the future tells lies even when he tells the truth.'

Yet we must have plans, and while acknowledging the vulnerability of all predictions, must try to piece together a pattern for the future. Broadly, this is what Shell makes of the available facts:

Shell believes.

1. Experience over the past year, especially of the Iranian situation, has finally convinced us that political factors bear so heavily on oil production that it may never reach its full technical and economic potential. For practical purposes, we should assume that it has already reached its peak.

2. The OECD countries must act immediately to reduce their dependence on world-traded oil. Governments have set a target of 5% savings. Even greater savings may be necessary if we are to be ready for future disruptions in supply.

3. The pressure on oil, and, indeed, on all other sources of energy can be relieved by rapid improvements in energy efficiency. A 5% improvement is easily within our grasp. With greater effort and some investment (in existing and already viable technology) it should be possible for Western Europe to reduce energy demands by up to 30% with no effect on living standards.

4. Hand in hand with energy efficiency measures, must go the search for more new oil and gas fields and development of coal and nuclear power to the point where they can take a greater share of the energy burden. In the UK now, coal provides 34% of energy, nuclear provides 4%.

5. Alternative sources of energy (solar, wind, tidal etc.) can make only a small contribution before the end of this century. Research must go ahead, but we must be aware that, even with a dramatic breakthrough, they hold little promise in the short term.

6. It follows, therefore, that energy efficiency measures will have the largest effect in the short term. Government can prime the pump, but the whole community must work towards improving energy efficiency. The commitment of individuals matters most. In homes, on the road, in offices, in factories, any saving you can make will help.



7. The world energy supply situation is serious but need not be disastrous. It can even be turned to advantage. Many energy efficiency measures offer attractive profit opportunities and can even increase standards of comfort.



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2. Shell is committing substantial resources to the improvement of energy efficiency. In co-operation with motor manufacturers, Shell's Thornton Research Centre is looking at methods of improving mileage in cars.

We also have research programmes in solar energy systems, the methanol fuel cell, advanced batteries, fuel-economy oils, basic combustion chemistry and related biological studies.

3. Shell Coal is continuing the large-scale development of coal resources all over the world, and Shell Research is helping to make important advances in coal technology. One project is the development of techniques for the recovery of the significant quantities of coal in colliery waste.

4. Some of Shell's own investments in methods of improving energy efficiency provide good examples of how such projects pay dividends. Between 1975 and now, Shell UK alone has spent around £20m on efficiency measures. Resulting savings are already worth £7.5m annually.

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UK NEWS

Brewster praises Britain's stability

BY ELAINE WILLIAMS

BRITAIN STILL has much to offer the foreign investor, according to Mr. Kingman-Brewster, U.S. Ambassador to Britain.

"Britain has the great asset of being more moderate and stable than any other industrialised nation," he says in the Institute of Directors' magazine Director, published today.

But he says he has begun to notice a disturbing trend towards

social polarisation in matters such as class, race and ideology, which has been exacerbated by unemployment and inflation.

Mr. Brewster warns that without North Sea oil, Britain would be a "disaster." The country should plan carefully since, if it were not for the wealth-producing oil, he thought there could well be "tensions which would

put a real strain on the civility of this society."

Despite his caution, Mr. Brewster feels that the long-term stability of the UK is the main reason why there is a continuous flow of American investment in British companies and a reduction in their UK commitments to place funds elsewhere.

The most successful U.S. companies to set up in the UK are in

relatively self-contained, high technology businesses which are small enough to relate effectively to the workforce, says Mr. Brewster.

He is impressed by the way British managers approach the problems of productivity and their awareness in making improvements in management as well as labour. But he admits that improvement in Britain's performance requires long-term policies.

Allaun charge toughens task for Callaghan

BY ELINOR GOODMAN, LOBBY STAFF

MR. FRANK ALLAUN, chairman of the Labour Party, yesterday accused Mr. James Callaghan, Labour leader, of trying to downgrade the importance of the party conference. Mr. Allaun was responding to what Mr. Callaghan regarded as his conciliatory speech on Tuesday on the future of the party.

Coming from Mr. Allaun, a hard-line Left-winger, the response was to some extent predictable, but it will nevertheless be an uncomfortable reminder to Mr. Callaghan of the very considerable difficulties facing his proposal for postponing a decision on some of the major constitutional issues now threatening to tear the party apart.

Some other Left-wingers on the party's National Executive Committee, however, were privately sympathetic yesterday in some of the moves recommended by Mr. Callaghan. If not the motives behind them.

On Tuesday Mr. Callaghan said that he could not possibly accept the NEC's demand to have the sole right to draw up the party's manifesto. Instead he supported the idea put forward by some of the highest unions affiliated to the Labour Party for carrying out a full inquiry into every aspect of the party's organisation.

Mr. Callaghan has been widely criticised as a highly publicised clash between the two wings of the party at the October conference and presumably

hopes that any committee of inquiry would come down against the Left's proposals. Some Left-wingers, however, feel the committee could be useful in furthering their objectives—a view shared by some Right-wingers who are sceptical of the wisdom of Mr. Callaghan's tactics.

The Labour leader apparently hopes to persuade the NEC at its eve-of-conference meeting to drop the idea of a vote on the method of framing the party manifesto and to support instead the idea of an inquiry.

Even if he succeeds in this it seems highly unlikely that Left-wingers on the NEC would be prepared to drop the proposed conference debates on other constitutional issues facing the party, like the method of selecting the Labour leader.

As Mr. Allaun's response to Mr. Callaghan's speech emphasised, the Left regards conference as the supreme policy body of the party and believes it should have a right to debate all major issues. Indeed Mr. Allaun and some other members of the NEC believe that Labour lost the election precisely because it ignored decisions of conference.

Yesterday Mr. Allaun insisted that the issues would be discussed "seriously and without personal animosities" at the conference and the executive would carry out whatever decisions were taken.

RUC arrests 16 in Belfast raids

BY OUR BELFAST CORRESPONDENT

THE Royal Ulster Constabulary arrested 16 people in swoops on parts of Belfast yesterday as part of its investigation into Sunday's Republican parade.

The police said that the appearance of armed and masked Provisional IRA members at the demonstration had caused "public disquiet." Sunday's incident brought angry reaction from Unionist politicians who accused the security forces of taking a soft line.

Further inquiries were being made into aspects of the parade through West Belfast, said the police.

Mr. James Molyneux, acting leader of the official Unionist Party, had talks on security in London with Mr. Michael Allison, Minister of State, standing in for Mr. Humphrey Atkins, the Ulster Secretary.

Mr. Molyneux urged the Government to introduce selective detention without trial for "the directors of terrorism." He

also suggested economic sanctions against the Irish Republic to force extradition of known terrorists.

Meanwhile, 300 members of the civilian search unit who check pedestrians and vehicles entering Belfast's security zone threatened to strike if the army went ahead with a plan to scrap permanent guards on all but one of the 15 entrances.

The army said it wanted to introduce more mobile patrols which it believed would be more effective. The civilians said the proposal would leave them unprotected and without the powers of arrest.

In Crossmaglen, in south Armagh, soldiers found a primed bomb near an occupied house. It was thought it could have been intended for an attack on a patrol on Tuesday, the tenth anniversary of the arrival of troops in the province.

ITT signs Yellow Pages deal

By Elaine Williams

ITT World Directories, has acquired the part of the Post Office's Yellow Pages advertising contract rejected by Thomson Yellow Pages.

The Post Office announced yesterday that it has placed a contract between two U.S. companies, ITT and General Telephone Directories, part of General Telephone and Electronics.

ITT World Directories will operate in the north and west of Britain following a line across the country from Kilmarnock in the north to Plymouth in the south. The deal will handle advertising south of the line including London.

This means that ITT will have about 66 per cent of the total business worth an estimated £560m over the nine year life of the contract which takes effect at the end of next year. G.T.D.'s six year contract is expected to be worth £345m.

ITT already has telephone directory advertising contracts in Belgium, Holland, Portugal, Irish Republic, Sweden and Puerto Rico but the British deal is its biggest single contract.

Harvard project for London architects

THE NEW Fogg Museum of Fine Arts at Harvard University is to be designed by the London architects James Stirling, Michael Wilford and Associates.

The firm was chosen by a selection committee which examined the plans of over 70 architects from all over the world for a year.

The museum will cost about \$6m and is the gift of an anonymous benefactor. It will house the Fogg collection of Oriental, Ancient and Islamic art and a centre for conservation and technical studies.

The firm has designed buildings at Oxford and Cambridge and is building the State Gallery in Stuttgart at the moment.

Call for health inquiry into brickworks plan

THE GOVERNMENT has been asked to set up an inquiry into the possibility of health risks from London Brick's two proposed brickworks in Bedfordshire.

The call for an inquiry into the £60m plan has come from an independent action group of local landowners, county council representatives and MPs.

The group, headed by the Marquis of Tavistock, said the development should not go ahead without first investigating possible effects on health of emissions from the new brickworks chimneys.

The company announced its plans earlier this month. It said the 400 ft chimneys planned for the brickworks would reduce ground level concentrations of sulphur dioxide and fluoride by a maximum of eight times.

Power board in £5m venture to bury cross-Channel cable

BY DAVID FISHLICK, SCIENCE EDITOR

THE CENTRAL Electricity Generating Board is making its first venture into sea-bed engineering, at a cost of £5m, with trials of two machines just begun in the English Channel.

The machines have been developed to cut channels about 5 ft deep through the rock in the bed of the Channel to lay an electricity cable to France. They are part of a £360m scheme to link the two electricity systems with a new 2,000 MW cable.

When initial tests off Sandown Island in the Channel were completed this month, the machines will move to four different locations between Folkestone and Sangatte, on the French coast.

One machine is a 118-ton tractor, designed to cut the trench—mostly in chalk but also in some harder rocks—using a rotating shearer of the kind used in coal-cutting.

The second machine is an 80-ton sled, which will haul itself along the top of the trench on a steel hawser laid by the tractor, feeding a pair of power cables to the bottom of the trench.

Both machines are powered through cables from a support ship and operated remotely but with divers in attendance.

They have been developed and built by Land Engineering and Balfour Beatty in collaboration with the board's transmission division at Guildford.

Dr. Peter Howard, director-general of the transmission division, paid tribute yesterday to the speed with which the companies had completed an order placed only in January.

The board's schedule calls for completion of the trials before weather in the Channel deteriorates in October. But first the sea-bed will be raked to ensure that the machines will not stumble on unexploded mines.

The trials, costing the board £25,000 a day, are crucial to the success of the project, which the board and Electricité de France have agreed will not go ahead unless the cable can be buried for protection.

The existing 160 MW cable between the two countries, which lies on the sea-bed, is frequently damaged by trawls and anchors.

A public inquiry is to open in November into the proposed site for the associated converter station, which the board wants to construct at Sellinage, about 12 miles inland of Folkestone.

Fastnet race claims 'may exceed £1m'

FINANCIAL TIMES REPORTER

INSURANCE CLAIMS for yachts sunk or damaged by the storms during the Fastnet race may well exceed £1m, said Mr. Peter Coucher, a leading yacht underwriter at Lloyds.

He said the value of the yachts ranged from £40,000 to £700,000. But he emphasised it would be some time before an accurate assessment of claim costs could be made.

Navigator and General Insurance, a member of the Eagle Star Group, said although the storms had occurred when yachting was at its peak, he did not expect many claims from yacht owners involved in the race.

Most yachtsmen would have taken adequate precautions after the gale warnings.

The gales appear to have done surprisingly little damage to property save household insurance companies Sun Alliance and Royal. Each reported that their branches in the affected areas had received few claims so far.

Although fallen trees across roads hampered movement of harvested grain from the field to the store, the gales caused little damage to growing crops.

High winds, and rain, can wreak havoc in corn fields. But fortunately the rain held off in most areas when the winds were at their worst and the grain stood up well to the battering.

Many fruit trees were damaged, but farmers were relatively unconcerned. While some apples, pears and plums were lost in the high winds, the remaining crop will be ample to meet all requirements.

Yesterday, the NFU Mutual, which handles a large proportion of farmers' insurance reported that the only claims received so far related to damage caused by fallen trees and collapsed fences.

NALGO action threatens water supplies

WATER SUPPLIES to more than 500,000 homes in Oxfordshire and Buckinghamshire may be cut off later this week due to a walk-out by members of the National and Local Government Officers' Association.

Nearly 400 NALGO members who work for the Wales division of the Thames Water Authority have simultaneously applied for two days holidays starting tomorrow in protest over a pay deal.

The walk-out will probably prevent water supplies being pumped from reservoirs in Oxfordshire and Buckinghamshire, and householders have been warned to stock up.

The dispute is over an offer of 11 per cent on basic pay plus a productivity deal worth 5 per cent.

LABOUR

Fight for 25% pay rises justified says Wales TUC

BY ROBIN REEVES, WELSH CORRESPONDENT

THE TRADE UNION movement would be fully justified in fighting for pay increases of at least 25 per cent in the next pay round, the Wales TUC-General Council decided in Cardiff yesterday.

It firmly rejected the CBI's case for settlements well below the rate of price inflation and said that in the coming round of wage settlements unions would have to retrieve a 3 per cent cut in the "social wage" flowing from public expenditure cuts and a 20 per cent inflation rate.

"Adding in an element for improved standard of living, we do not see how wage settlements can be pitched below 25 per cent," Mr. George Wright, General Secretary of the Wales TUC said.

The CBI has said that the average wage earner's real standard of living will have fallen only 7 1/2 per cent over the last 12 months in spite of a likely increase in the RPI of 16 per cent.

According to the TUC's calculations the public expenditure

reductions announced by the Government are equivalent to a loss of £2 per wage earner per week, or about 3 per cent of the average basic wage. Irrespective of the Government's proposed taxes and prices index due to be unveiled tomorrow, this loss as well as inflation would have to be made up in the next pay round.

"We are not going to accept a lower standard of living from this Government," Mr. Wright said. It was also unacceptable for CBI representatives to call for trade union restraint in an economy which was now being managed according to the CBI's own philosophy.

Mr. Wright suggested the Government's only hope of moderate pay demands would be a complete reversal of its present economic policies. Indeed, the Welsh TUC agreed formally to call on the Government to restore income tax and VAT rates to their pre-budget levels.

Given the 1 per cent drop in economic activity forecast for

next year, this was the only way open to secure employment, investment and services, and to avoid deep levels of poverty, particularly in Wales, where 60 per cent of jobs were linked to public sector spending.

"We have challenged them to show any evidence their policies are going to achieve higher employment and a higher standard of living. All we have had so far is apologies."

The General Council meeting also agreed unanimously to give its full backing to any action by trade unions at the British Steel Corporation's Shotton works to resist the shutdown of steel making at the plant, with the direct loss of over 6,000 jobs.

Mr. Wright stressed that the public service unions had expressed as much concern as the industrial unions over the threat to employment and the whole community at Shotton. The closure plan was announced by BSC last month in a bid to restore the corporation to profitability by March 1980.

Talks on future of shipyards

By Our Labour Staff

SHIPBUILDING UNIONS are likely to be given details today of British Shipbuilders' plans on yard closures and more than 8,000 redundancies. The shipbuilding committee of the Confederation of Shipbuilding and Engineering Unions will meet the Corporation for talks in Newcastle.

British Shipbuilders believes further restructuring of the industry is essential for survival. Mr. Michael Casey, the corporation's chief executive, said after publication of the annual report, that work should be channelled to the most efficient yards.

Today's meeting will probably be a lengthy affair. The Confederation at its annual conference warned the Government that the unions do not intend to allow their members to be "massacred."

At Harland and Wolff shipyard union leaders began talks with management yesterday about ways of raising productivity in an attempt to avoid compulsory redundancies, which are expected in two months.

White collar union considers merger

BY NICK GARNETT, LABOUR STAFF

THE ASSOCIATION of Professional, Executive, Clerical and Computer Staff is preparing for a possible merger with another white collar union.

APEX union officials appear to believe there will almost certainly be an amalgamation. It could have wide implications for white collar unionisation and the structure of unions.

Senior APEX officials, including Mr. Roy Grantham, the general secretary, have been in tentative merger discussions with a number of other unions, including Mr. Clive Jenkins' Association of Scientific, Technical and Managerial Staffs.

There is considerable feeling among some officials of the 150,000 strong APEX that merger talks with ASTMS, which is three times larger, are likely to prove more successful than discussions with other unions.

Mr. Grantham and other APEX officials are understood to have concluded that major changes in the structure of collar unions are inevitable and that APEX needs to be part of a larger body. APEX intends to maintain its present structure. APEX officials have been instructed by the executive to continue merger negotiations with other unions and prepare a detailed report by November if possible. There is also a new provision, however, for special meetings of the executive council on merger talks before November if the need arises.

The executive has already endorsed a report that APEX should merge with any other union unless the "special interests" of APEX could be protected. The merger must be shown to advance the interests of its members.

Arbitration call renewed in television dispute

BY GARETH GRIFFITHS

THE Advisory Conciliation and Arbitration Service stepped into the independent television dispute again last night. It invited both sides for fresh talks tomorrow, to discuss possible arbitration.

Yesterday, ACA's earlier appeal for arbitration looked likely to fail. The Independent Television Companies Association told the unions involved (the Association of Cinematograph, Television and Allied Technicians, the National Association of Theatrical, Television and Kine Employees, and the electrical and plumbing trades union) that it was not prepared

to go to arbitration over its pay offer of 13 per cent. It would submit only craftsmen's differentials to arbitration.

NATKE and ACTT meet today to consider their position. Mr. Jack O'Connor, national officer for the ACTT, was in favour of limited arbitration and said the company's approach was irresponsible.

The dispute has lasted a month, and independent television has been blacked out except for Channel 5 since Friday. The unions want about 25 per cent, compared with the company's across-the-board offer of 15 per cent. Both sides think the dispute might be long.

Courtaulds closure row to go before tribunal

BY RHY'S DAVID

COURTAULDS, Britain's biggest textile group, is to appear before an employment tribunal next month.

The panel will rule on union charges that the company failed to consult adequately with employees at its Spennymore, Co. Durham, yarn plant before its closure earlier this year.

The tribunal, in Middlesbrough, will be asked by four

unions—the National Union of Dyers and Bleachers, the Amalgamated Union of Engineering Workers, the Association of Professional, Executive, Clerical and Computer Staff, and Courtaulds Senior Executive Staff Association—to make a protective award enabling the 1,600 workers who lost their jobs at the factory to claim compensation on top of redundancy payments already made.

Chrysler move

A MASS meeting of 500 Chrysler workers decided in Coventry yesterday to continue their strike. The company has halted all car output throughout the company.

Journalists may break relations with Newspaper Society

BY OUR LABOUR EDITOR

THE National Union of Journalists is considering breaking off relations with the Newspaper Society until 28 members dismissed by the Nottingham Evening Post during last winter's strike by provincial journalists are reinstated.

Mr. Charles Harkness, deputy general secretary of the union, said that the News needed more staff and expertise in accountancy and advertising.

If relations are severed, the union would refuse to negotiate a national wage agreement later this year with the society, which represents provincial newspaper managements. All bargaining would then be done piecemeal at the individual papers.

About 18 of the dismissed journalists are working for the Nottingham News, a "limited liability co-operative" weekly set up in rivalry to the Post, which is owned by T. Bailey Forman.

The union's executive is trying to raise — with the help of other unions — about £100,000 to support the venture, which, although it is said to be breaking even, needs to expand if it is to survive. The union is paying the salaries of the former Post journalists there.

Provincial journalists' delegates will meet in Birmingham early next month to discuss the suggestion, but the decision will be left to the union's national executive committee.

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Provincial journalists' delegates will meet in Birmingham early next month to discuss the suggestion, but the decision will be left to the union's national executive committee.

Clerical members of the National Society of Operative Printers, Graphical and Media Personnel at the Sunday Times were meeting last night to discuss the formula for republication of the Times and the Sunday Times agreed mutually by all the unions. Other NATSOPA branches have rejected parts of the formula, and responsiveness of the papers looks unlikely before October.

NUJ complaints rejected

A NEWSPAPER editor was under no ethical obligation to report why his paper failed to appear when it resumed publication after two weeks, the Press Council says today.

The editor has rejected a complaint against the weekly Middlessex Advertiser and Gazette brought by staff who are members of the National Union of Journalists. It also rejected their complaint that the paper failed to publish a letter about a strike in which

they were involved.

An explanatory panel on the front page the following week was not adequate, the members said.

The council found that it was a matter for the editor's discretion whether he reported the dispute on the first occasion. Whether he exercised his editorial judgment wisely or unwisely is not a matter on which the Press Council is required to comment and it makes none.

LOWER-POWER JET VENTURE WITH A BIG POTENTIAL

Why Rolls-Royce teamed up with Japan

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE JAPANESE Government's decision in principle to join Rolls-Royce in developing the new RB-432 jet engine, at a total cost of more than £300m, is a significant breakthrough in the engine company's efforts to launch the venture on to the world market.

The RB-432 is part of Rolls-Royce's long-term plans to expand its civil engine programmes to ensure that it captures at least part of the big market that lies ahead for less powerful jets than its RB-211 family.

The RB-211, in various versions, covers the thrust range from 30,000 lbs to 53,000 lbs. Plans exist for a 60,000 lb version so that the series may power airliners as diverse as the new Boeing 757 twin-engine short-to-medium-haul 200-seater and the biggest versions of the 400-seat-plus Boeing 737.

The RB-432 has a thrust of between 15,000 lbs and 18,000 lbs. It is intended chiefly for smaller aircraft such as the 130-160-seater being planned by manufacturers throughout the world.

The engine may be considered as an eventual replacement for the civil SP7 engine, which has rendered good service for more than 20 years in airliners such

as the British Aerospace One-Eleven and the Trident series.

The new engine is the product of long research and development. It stems from a much smaller engine, the RB-401, of 5,500 lbs thrust, developed some time ago as a new, quieter, more fuel-efficient engine for business jets and other small aircraft, but embodying substantial new technology in fan and compressor design, with high reliability and long component life.

The RB-401, already running on the test-bed, showed such promise that Rolls-Royce has decided to turn it into the start of a big new "family" of engines, of which the RB-432 is one.

However, with big sums being spent on expanding the RB-211 family—several hundred million pounds on the further development of the Dash 524 version and the new D58 version, for example—Rolls-Royce has very little cash to spare to develop the RB-432. Collaboration has become imperative.

It was natural for Rolls-Royce to look to Japan. There, the engine companies of Mitsubishi Heavy Industries, Kawasaki Heavy Industries and Ishikawajima-Harima Heavy Industries have all been involved with Rolls-Royce for years, IHI and Kawasaki especially in the

manufacture under licence of the Adour military engine for trainers and combat aircraft.

At the same time, Japan has been showing interest for some time in further developing its aero-engine industry and eventually developing its airframe side with the joint manufacture of a short-to-medium-range civil airliner in the 130-160 seat category, exactly the type of aircraft at which the RB-432 is aimed, for the mid-1980s and beyond.

Rolls-Royce and the Japanese believe that once the new engine is seen to be in full-scale development, airframe makers world-wide will show much more interest in it.

Interest, however, has not been lacking. For some time, it has been increasingly clear that a large new market is likely to emerge in the mid-1980s for airliners to replace existing jets such as the One-Eleven, Fokker F-28 and even such highly successful types as Boeing 727 and 737. By the mid-1980s, many of those aircraft will have been in service for upwards of 15 years.

That replacement market is not being met by the types on offer: the European A-300 250 seat and A-310 200-seat Airliners, or the Boeing 767 and 737 twin-engine 200-seaters.

They are too big for the prospective 130-160-seater market that is likely to emerge.

Several important manufacturers have plans for such smaller airliners. Airbus Industrie, of which British Aerospace is a member, has recently appointed Mr. Derek Brown, a top-level designer, from British Aerospace, to co-ordinate the ideas of all its partner companies in the 130-160-seater field, called broadly by Airbus Industrie the "Joint European Transport," or JET.

His task will be to produce, in the next two years or so, a new design for a 130-160 seater that Airbus Industrie can offer to the world's airlines and which it can build with all its members sharing in the programme.

Airbus Industrie will be fighting a formidable competition from Boeing. That company, which has sold more than 1,700 727s and 700 737s, is studying replacements or improvements for both types for the mid-to-late 1980s, and, significantly, has been pressing Rolls-Royce hard to launch the RB-432 engine.

Boeing believes that a combination of the RB-432 and a newly designed 737, with an aerodynamically more efficient wing to improve fuel consumption, might be a worldbeater. Rolls-Royce agrees, which is why

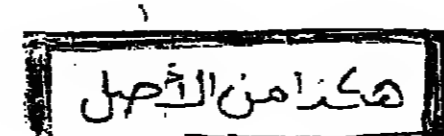
it has been pushing to get Japanese support for the RB-432.

But the competition is tough. Pratt and Whitney, the world's highest jet engine builder, has produced two new variants of its highly successful JT-SD engine, the model 208, with 18,500 lbs thrust, and the model 217, with 20,000 lbs thrust.

At the same time, General Electric of the U.S. and Snecma of France, which have teamed up to produce the CFM-56 engine of 22,000 lbs thrust, are offering a "de-rated" derivative of about 18,000 lbs thrust.

That is the competition Rolls-Royce must meet with the RB-432. Equally, however, had Rolls-Royce failed to develop this new engine, it would have lost a market that might amount to perhaps more than 1,000 engines before the end of this century, worth more than £1bn, especially when the long-term value of the spares is considered.

Thus, for its long-term future, the development of the RB-432 is likely to be as crucial to Rolls-Royce as the RB-211 series of engines has been and still is. Everyone in UK aviation must therefore hope that the detailed negotiations still to be held with Japan will succeed.



Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHÖETERS

DATA PROCESSING

UK product works in real time

RELIANCE is a commercial software package from Perkin-Elmer's UK-based commercial software group, believed to be the first data management system designed from the start for real-time transaction processing.

Fast program development, combining high performance and reliability with automatic system integrity, frees the programmer to concentrate entirely on the application solution.

Development by its Slough-based team for marketing by Perkin-Elmer worldwide, Reliance reflects the growing world stature of British expertise in computer software development.

with the problem of contention for database access for up to as many as 128 simultaneous users.

Where rapid recovery after system failure is important, Reliance is notable. As well as backing out any faulty transactions during restart, it also tells each terminal user the status of his last transaction.

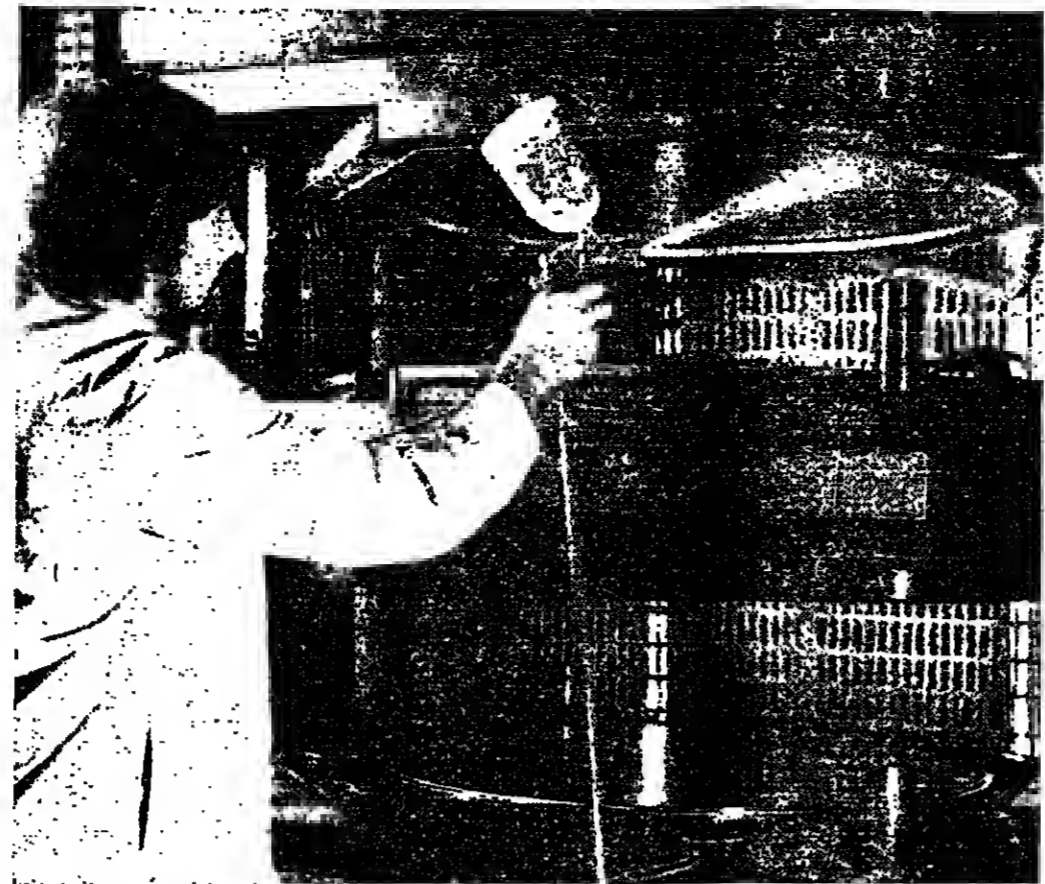
System integrity is a major feature of Reliance, with optional logging of all transactions as well as automatic prevention of concurrent modification of one record by more than one user. Access to applications can be restricted by a hierarchically structured password system.

For the user concerned about performance degradation due to progressive loss of disc space allocation efficiency, Reliance continuously reclaims space and reorganises data to ensure maximum system performance.

Perkin-Elmer is offering for use with Reliance, an RPG II compiler. This provides an easy-to-use, batch-oriented report generating facility for a simple approach to the solution of business problems.

Perkin-Elmer, 227, Bath Road, Slough, Berks, SLough (75) 34511.

MATERIALS



Saving money on mouldings

MOULD makers requiring large-area, thin sections of mould steel can now make significant economies by using steel plate in thinner sizes than those obtainable by conventional forging or hot-rolling. Until recently only commercial structural grades of steel were available in plate form; grades which do not normally have the compressive strength or pliability demanded for applications such as plastics injection moulds.

Uddeholm, the U.K.'s largest tool steel stockholder, now able to supply plate rolled tool steel

in sizes up to 5,000 mm x 2,000 mm x 160 mm (16ft 6in x 6ft 6in x 5.25in) in four grades. These include stainless mould steel which offers excellent corrosion resistance and can be readily polished to an optical surface finish, material suitable for polishing in a mirror finish, metal for plastic moulding and diecasting dies and a pre-hardened hotset steel.

An example of the saving to be made by using tool steel plate is shown in the photograph, where a 1,000 mm diameter table top is being produced from

a mould made from UHB Stavax ESR stainless steel plate. The manufacturer, Formwood, Colford, Gloucestershire, was able to reduce the thickness of the mould plates by over 40 per cent from 120 mm (4.75in) to 50 mm (2in) which resulted in considerable savings in both material and machining costs. The overall size of the mould plates was 1,200 mm sq x 50 mm (47.25in x 2in).

Further details from Uddeholm, Crown Works, Rutherford, Birmingham, B45 9AG, (021-435-6161).

BANKING

Robot cashier runs round the clock

TC 800 ATS-TTW system (Automatic Teller System—Through the Wall), specialised for banking applications has been added to Olivetti's TC 800 family of distributed data processing equipment.

This new unit is a further version of the TC 800 ATS and is for use in external, unattended environments to provide an independent, 24 hour service outside a bank, in a motorway service area, in a hospital lobby, in airports, company buildings, etc. The system automatically provides a number of teller services such as cash withdrawal and deposit, balance by date and statement of account.

It consists of a central processing and control unit, floppy disc storage, keyboard, 260-character video display, badge reader, printer and cash dispenser.

Programming capabilities, modular architecture and both off-line and on-line with remote computers or other TC 800 systems operation modes make the system suitable for any application, according to the

particular requirement of the bank's organisation.

Every transaction on the TC 800 ATS-TTW starts with the insertion of the customer's personal badge into the terminal, which enables him to communicate with the system. Then the customer enters his personal code number on the keyboard and identifies the type of operation that he wishes to carry out, the amount involved etc. He is guided through every stage of the operation by the message which appears on the screen.

In the system, security has received special attention. A number of devices are provided for this purpose, either mechanical (anti-vandal door, screen protection, bank-note dispenser and deposit protection etc.) or electronic (alarms, automatic locking of cash-box, bank-note fault detector, etc.). Controls are also provided by the software, such as personal code, hedge check and 'hmi card' file management (to keep a record of lost, stolen or expired cards).

British Olivetti on 01-629 8607.

GUBITTS
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METALWORKING

Folds sheet metals

NOW AVAILABLE from Rivers Machinery is a range of heavy-duty sheet folding machines with capacities of up to 3 mm steel sheet thicknesses.

Called Rivers Cidan BMF, there are four sizes of bending lengths, from 1050 mm to 2530 mm. Mild steel thicknesses up to 3 mm can be handled by the smaller machines, while the larger units will take 1.5 mm steel.

Machines are said to be quick and easy to operate and include an adjustable counter balanced clamping beam and movable fold stops for accurate angle folds.

ENERGY

Smokeless power from rubbish

CLEAN EXHAUST emission achieved by the pyrolytic method of combustion gives distinct advantages over conventional incineration techniques. It permits elimination of paper, cardboard, wood, plastics, textiles, organic waste, car tyres, used oil, etc., in small decentralised incinerators, without the need for dust and gas separators. This, together with energy recovery from the exhaust gases, makes the pyrolytic incinerator an economically interesting alternative.

Hoval Farrar of Newark, Notts, brings in these units from Hoval of Switzerland in four sizes, which are capable of handling from 150lb up to 1,300 lb per hour.

During the pyrolytic process waste materials are degassed by the action of heat and oxygen starvation. Gases generated are mixed with air in a second stage and burned. Dust particles are not carried along by the air during degassing as there is no turbulence. The secondary combustion temperature in excess of 800 deg. C ensures a non-toxic and purified exhaust. Reduction in the volume of waste is in the 94 per cent-98 per cent range and the unburnt organic matter in the ash is

minimal at below 2 per cent of the sterile ash weight.

Heat recovery becomes a practical proposition from around 1 tonne per day of waste and purpose-built heat exchangers are available to provide steam or hot water for linking with heating and process systems.

Payback periods are becoming increasingly attractive with, for example, the heat content of 1

tonne of packaging material corresponding to 70 gallons of gas oil.

Hoval incinerators are available in a modular form for basic material loading up to fully automatic loading and with or without heat recovery. They can be installed inside or outside and require minimal maintenance.

Hoval Farrar, Northgate, Newark, Notts, NG24 1JN, 0638 72711.

Aid to problem solving

SIMULATION SYSTEM which is a valuable aid in solving a variety of complex management problems is available in an easy to use service from Scicon of Milton Keynes.

Scicon offers two versions of HOCUS (HOCUS 3 and HOCUS 4) as well as advice in their use on a service bureau basis. A simulation consultancy service is also available. The difference between the two versions is that with HOCUS 4 the user can interact with the simulation while it is running.

Scicon, Brick Close, Kiln Farm, Milton Keynes, MK11 3EJ (0908 565656).

Two micros from NEC

TWO single-chip 8-bit microcomputers have been introduced by NEC Electronics (Europe). Processors differ only in their internal program memory options with either 2K bytes of mask ROM or an external program memory.

They are compatible with industry standard devices and peripherals, and are contained in either ceramic or plastic 40-pin packages.

Instruction set is 1 or 2

bytes and the cycle time is 2.5 microseconds. Both units will function as stand-alone microcomputers but their functions can be expanded considerably with peripherals.

Both devices are manufactured using NMOS silicon gate technology and require a single +5V supply.

NEC Electronics (Europe), 43, Civic Square, Motherwell, Scotland, ML1 1TH, 0698 69121.

LIGHTING

Ultraviolet or visible

COMPACT AND portable, an ultra-violet/visible light source for a variety of laboratory applications is introduced by Hanovia Lamps.

Model 16L projects a powerful beam which, when unfiltered, provides ultra-violet and visible radiation in the 250-600 nano-metre wavelength band. The lamp can be attached to its power supply unit and angled for table-top use or held by its pistol grip to enable quick and reliable fault-detection tests to be made on components in difficult situations without time-

consuming and costly dismantling.

Filters supplied with the unit and mounted in the detachable lamp head enable various spectral regions to be isolated for specific applications.

Filter No. 1 passes radiation in the wavelength region 300-400 nano-metres for use in fluorescent analysis and is capable of exciting fluorescent materials at a distance of several feet.

Hanovia Lamps, 480 Bath Road, Slough, Berks, SL1 6BL, Burnham 4041.

Degradable plastic bags

VIKING PACKAGING has started introductory work on degradable polyethylene bags which are now undergoing extensive tests at a major plant bakery.

Performance to date has been excellent, says the company, but general availability of the bags will remain limited over the next year or 18 months since the production of the essential ingredient (from Spillers Starch Supplies) is still at the pilot stage.

The two products from Spillers are: Plastarch (which

accelerates plastic degradation by micro-organisms in the presence of the oils and minerals commonly found in all recharge tips) and Biostarch (which contains the natural mineral salts as well as oils, causing accelerated degradation of plastics when they are buried under the soil over a period of three to four years).

Degradable bags made by Viking, whether using Plastarch or Biostarch, have very significantly reduced cling or stick characteristics, making the film easier to handle at the print and conversion stage and, subse-

quently more adaptable to mechanical handling processes such as automatic opening and filling—thus reducing bag wastage.

Original research for this development was undertaken by Mr. G. J. L. Griffin, Reader in Polymer Technology at Brunel University, who continues to be closely associated with the further development, production and application of these products by plastics manufacturers.

More from Viking at Berry Hill Industrial Estate, Droitwich, Worcs. (096-574466).

Resistant wiring

SOME 18 MONTHS after signing a licence agreement with the American firm Havex Industries, Fothergill and Harvey has announced that its new plant is coming on stream to produce Exar's cross-linked polymeric insulated wire.

Fothergill is already a major European supplier of fluorocarbon insulated wires and cables primarily designed for use in the aircraft and electronics industries and this new plant, costing nearly £2m, will allow the company to enter the medium-temperature insulation range of up to 150°C. It is also the start of a plan to centralise all the company's wire and cable manufacturing facilities

within one building on the Littleborough site.

Exar wires and cables are employed in the U.S. as motor lead-out wires, internal wiring in domestic appliances, light fittings, busbar connectors and passenger vehicles. Exar offers savings in conductor volume that can be as high as 30 per cent. The higher temperature rating of Exar's cross-linked insulation means that a smaller-gauge conductor can be employed to carry the same current, resulting in a more compact wire of lower weight and at a lower cost.

Fothergill and Harvey, Gunmit, Littleborough, Lancs OL15 9QP, 0906 78831.

SAFETY

Valve will not leak

THREE-YEAR guarantee of zero leakage on its positive shut-off valves is offered by Intercontinental Valve Manufacturing Company (IVMCO) whose first subsidiary outside the U.S. is TruSeal UK.

The latter is to provide complete technical and commercial support for the TruSeal range of positive shut-off valves, being manufactured in the UK.

Absolute shut-off, under all rated conditions of temperature and pressure, is provided through soft seals in the valve which retract from their posi-

tive contact with perpendicular movement, so there is no rubbing or wear to limit life.

When a valve does need maintenance, its design enables seals to be replaced easily and quickly without removing the valve from the pipeline.

Available in sizes from 1/2 to 24 inches, ANSI Series 150 and 300, they are particularly suited to petroleum handling applications where absolute shut-off and double block and bleed are essential for positive segregation of products or equipment.

TruSeal, Doman Road, Camberley, Surrey, GU15 3DF.

"Banks today are planning for the eighties and beyond. Philips are in a position to share our view-point."

Banks have always been closely involved with new developments in computing. Many major advances in data processing are the result of co-operative relationships between the banking community and its computer suppliers.

The Philips PTS 6000 Financial Terminal System is a good example. Originally developed by Philips in co-operation with a leading European bank, the PTS 6000 system has now become the world's leading range of financial terminal equipment, with 25,000 cashier positions in banks, building societies and local authorities.

Special versions of the PTS 6000 are currently under development in conjunction with banks in Britain and overseas, designed for the needs of cashiers in the next decade—and the next.

If you want to make the most of today's computers, talk to Philips first.

You'll find we talk your language.

Computers that talk your language

PHILIPS FT16/B

The unsecret of our success

Friendly and efficient service in a dynamic economy is the winning combination that assured our growth into a city bank of Japan. And now we're developing into an international financial complex.

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● LONDON BRANCH, 25 Abchurch Lane, London EC4A 3DF, 0753 8400
● NEW YORK BRANCH, 100 Park Avenue, New York, NY 10017, (212) 688-4700
● HONG KONG BRANCH, 100 Queen's Road Central, Hong Kong, (852) 2522-1111
● SINGAPORE BRANCH, 100 Raffles Place, Singapore, (65) 234-1111
● MANILA BRANCH, 1000 South EDSA, Manila, Philippines, (63) 522-1111
● BANGKOK BRANCH, 1000 North Sathorn Road, Bangkok, Thailand, (66) 234-1111
● Cebu BRANCH, 1000 North Sathorn Road, Cebu, Philippines, (63) 333-1111
● Davao BRANCH, 1000 North Sathorn Road, Davao, Philippines, (63) 822-1111
● Singapore Representative Office: 100 Raffles Place, Singapore, (65) 234-1111

One layer holds rust at bay

BZP ONE coat zinc phosphate primers are being offered in non-flammable versions.

One-coat primer from this maker has proved excellent for treating poorly prepared steel surfaces to prevent rust or which are already rusty. It is easily applied by brush and is ideal for dipping and spraying.

BZP paint film is virtually non-toxic and steel can be cut or welded without injurious fumes being given off. Moreover, rust does not spread under this film if it is cut or damaged.

Synthetic and Industrial Finishes, Imperial Way, Watford, Herts. WD2 4JW.

Light keeps the data flow cleaner

TEST AND measuring instruments equipped with IEEE-488 digital interfaces can be operated at distances up to 100 metres from associated computer-controllers, using a fibre optic link developed by Hewlett-Packard.

Overcoming distance restrictions, HP12050A links permit data to be passed in both directions at speeds up to 20kbyte/s with high integrity: data is not affected by the large electromagnetic disturbances that typically occur in many industrial environments. In addition, the fibre optic medium offers total electrical isolation and effectively solves unwanted ground loops and other common mode

problems that can be troublesome.

Typically a link comprises two HP12050A end-of-link units and dual-channel fibre optic cable which can be installed in conventional conduit using standard cable-pulling techniques. As far as the user is concerned the fibre optic link is transparent. No additional programming is required.

Bit parallel information is serialised at the sender and reconfigured at the receiver, using silicon-on-sapphire microprocessors which automatically perform self-test at power-up and on request via user programmes. During transmission the microprocessors check for transmitted errors, using a

check-sum algorithm. If an error is detected, retransmission occurs until the transfer is completed.

Dual channel terminated cables can be supplied in various lengths.

Hewlett-Packard, King Street Lane, Wincoburn, Wokingham, Berks RG11 5AR, Wokingham 784 774.

CONSTRUCTION

Measuring code

THE ROYAL Institute of Chartered Surveyors and the Incorporated Society of Valuers and Auctioneers have published a Code of Measuring Practice available at £1 from Publications Dept., RICS, Norden House, Basing View, Basingstoke, Hants., or from the ISVA, 3 Cadogan Gate, London SW1.

Converters for motors

VARIABLE current dc link converters for various sizes and types of three phase motor are announced by Siemens, Windmill Road, Sunbury-on-Thames, Middx TW16 7HS (09327 85691).

Simovert A is for the control of standard three phase squirrel cage motors. Complete cubicles containing the switchgear, instruments and control elements in addition to the converter are available for outputs from

14 to 530 kW and for supply voltages of 380 to 500 volts. The converters are suitable for driving and braking in both directions with regenerative energy feedback into the mains supply.

Another type, Simovert S, is for permanent field synchronous motors with power ratings from 7.5 to 36 kW. These are chassis units which can be fitted in any cubicle or machine frame.

Taking up movement in brickwork

LASTO-STRIP, recently introduced in the UK by Simonbould, Stockport, (Simon Engineering Group) is a form of synthetic rubber bearing to accommodate relative movement between the surfaces of loadbearing brickwork or other forms of masonry construction, and the concrete slabs that they support, with the advantage of noise attenuation.

Other commonly used materials such as fibreboard, hardboard, building paper, roofing felt, etc., do not adequately

transmit the vertical loads without the risk of cracking the uppermost sections of the walls due to creep, shrinkage and thermal stresses. Even deflection of the slab under live loading may be sufficient to cause rotation at the support and induce cracking.

The synthetic rubber layer will minimise the possibility of cracking under these and similar conditions, improving the appearance of the structure and saving maintenance costs during its lifetime. Applied between the support walls and suspended slabs the bearing will

provide an elastic seating to absorb horizontal and rotational movements and allow for unevenness in the contact surfaces.

Available in convenient one-metre lengths in the form of a continuous strip of synthetic rubber or individual pads prepared to reduce friction and surrounded by a filler to simplify installation, it is supplied in a range of standard widths from 100mm to 320mm to suit the dimension of the wall, with other widths available to order.

Simonbould, Stockport SK3 0RY, 061-428 3600.

This announcement appears as a matter of record only.
July, 1979

A/S Vendelbobanken
Hjerring, Denmark

DM 10,400,000

Multicurrency Term Loan

Arranged by

Deutsche Bank
Compagnie Financière Luxembourg
PKbanken International (Luxembourg) S.A.
Skandinaviska Enskilda Banken (Luxembourg) S.A.

Agent

Deutsche Bank
Compagnie Financière Luxembourg

Adviser to A/S Vendelbobanken
RB-bank
Regional Bankers bank

INTERNATIONAL CORPORATE FINANCE

£10,500 - £12,000

Our client is the International Division of the Midland Bank. The rapid rate of their business growth continues unabated, and in no sphere is this more evident than in Corporate Finance - International. As a consequence it is now necessary to recruit a further number of Assistant Managers who will support the development of corporate relationships and the Bank's business base in a number of geographical areas, especially Europe and the Far East, and in functional areas such as aerospace. Ideally in their late twenties, the successful candidates will hold at least A.I.B. and will be very competent in the reading of balance sheets. They will be able to receive credit assessments and help prepare them for Committee review. They will wish to study in depth the area to which they have been allocated, with a view to eventual travel in the area. Successful candidates will show an ability and eagerness to develop customer handling skills, and enthusiasm and initiative will be qualities particularly sought. It follows that promotion prospects will cover the spectrum of Corporate Finance - International Division activities, and the positions will enjoy the fringe benefits associated with a major international bank.

Letters of application, together with c.v., salary progression and any other relevant data, should be forwarded without delay to: Mr. C. A. Cotton, Executive Recruitment Division, MLH Consultants Ltd, Park House, 22-26 Great Smith Street, London SW1P 3BU quoting reference A146.

MLH Consulting Group of Companies

Accountants

from £6,300 to £12,500
Help us maintain
the balance of power

Can you think of a more exciting or progressive industry within which to work than that of nuclear power? Just look at our track record - we're world leaders in the development of nuclear fuel processes; our markets are world-wide; we are internationally respected for our technology and expertise. What's more, we are a continually developing business - a business of the future already making an impact on the present.

To ensure our financial organisation, we now need a number of professional men and women to join us. The full accountancy spectrum is open to you - there is excellent scope over a wide range of skills and specialities at differing levels of responsibility. Vacancies exist in Management Accounting, Statutory Accounting, Financial Control and Planning and

Systems Development. Rewards are commensurate with the technical requirements and supervisory responsibilities of the posts concerned.

All posts are based at Company Headquarters at Risley. Salaries are in ranges up to £7,700, £9,500 and £12,500 and we have a comprehensive package including assistance with relocation expenses and leave allowances between 22-25 days per annum.

So, if you're a qualified ACA, ACCA, ACMA, or have an appropriate degree and want thoroughly interesting work in a vigorous and secure environment, write for an application form to: The Staff Officer, BNFL, FREEPOST, Risley, Warrington, Cheshire, WA3 6AS or telephone Sue Roffe on Warrington 35953 Extn. 2626. Please quote ref No. FT/0459

BNFL

For an infinitely brighter future

Group Accounting Controller

£16,000

A substantial industrial holding company, which has expanded rapidly in the past few years, wishes to recruit an accounting controller for the group. This is a new appointment following the recent rapid and significant expansion of this group.

Responsibility will be to the Finance Director and will include overall control and reporting of accounting information for the group, the examination of reporting systems, the interpretation of management information, and the preparation of group forecasts and results. The job holder will be involved in the preparation of published results and production of the Annual Report.

A chartered accountant, aged mid thirties upwards, is required, who has had considerable managerial experience either in the profession or in commerce. High technical ability and an aptitude for consolidating financial statements of material public companies with substantial overseas interests are necessary.

Salary £16,000. Location City of London.

Please write in confidence for an application form and a job description to David Prosser, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 8SY, quoting MGS/3774.

Price Waterhouse Associates

FINANCE DIRECTOR

c. £12,000 + Car

Dixons, a rapidly expanding multi-national public company, engaged in retailing and distribution throughout the world, wishes to appoint a Finance Director for an important subsidiary with a £10m turnover in South East England.

The initial task will involve the setting up of soundly based financial and commercial systems capable of supporting a fast moving growth organisation. He or she must be commercially orientated, and have the capacity to work with other senior executives in the planning, running and development of the business.

The person appointed is likely to be an ambitious, aggressive qualified accountant who has a proven record of achieving results.

The rewards include an executive car, and other benefits, typically associated with a senior appointment.

Please write stating your qualifications, experience and why your background would enable you to fill this position to:-

A. Rinas, Employee Relations Director
Dixons Photographic U.K. Ltd.,
Prinx House, 54-58 High Street, Edgware, Middx.

Dixons

A first-class company to be with

FINANCIAL CONTROLLER

Chichester c. £10,000 + car

Oakley Investments Limited owns and manages a number of companies in the U.K. holiday industry. As a result of continuing expansion through acquisition, it has been decided to centralise the financial management of the group.

The Financial Controller, who will report to the Managing Director, will direct the accounting, cash management, project and acquisition appraisal, and secretarial activities of the group. He or she will be required to deal directly with operating managers at various sites in the South of England.

Applications are invited from qualified accountants, aged between 28 and 35, who can demonstrate sound experience of financial management in a service industry. Please send personal and career details, in confidence, to R. M. Orr, F.C.A., Managing Director, OAKLEY INVESTMENTS LIMITED, 28A Cadogan Square, London, SW1X 0JH.

PUBLICATIONS MANAGER FOR McGRAW-HILL PUBLICATIONS COMPANY

We require an experienced person (male or female) to sell advertising space for primarily Business Week magazine, our leading international publication. You may also handle a couple of other magazines. Initially, you will be selling space in the UK only, but if you prove to be capable the whole of Europe could be your oyster.

Experience in selling international publications is not essential but would be an advantage.

We'll pay a rewarding salary, plus company car - and we have private medical insurance and pension plans.

Please apply, in writing, enclosing your CV Keith Mantle, Division Director, McGraw-Hill Publications Company, 34, Dover Street, W1X 3RA.



Montagu, Loebel, Stanley & Co.

Require an:
ECONOMIST/STATISTICIAN
Male or Female

to work with their existing Economist. The work will consist of analysing both general economic data and researching for specific topics related to the firm's written material. The majority of the work is biased towards the gilt edged and money markets.

The applicant will preferably have had some business experience, although new graduates with relevant qualifications should not be deterred from applying. Salary will be negotiable, depending upon qualifications and experience.

Please write giving brief c.v. to:
Mr. R. A. D. Froy
MONTAGU, LOEBEL, STANLEY & CO.
31, Sun Street, London EC2M 2QP

ASSISTANT SOLICITORS - HONG KONG

Established but expanding firm of Hong Kong solicitors requires Assistant Solicitors for general commercial work. Post-qualification experience in company/commercial work, commercial litigation or banking is desirable but applications from newly qualified solicitors with relevant experience in articles will be considered.

Excellent working conditions offered in interesting environment. Salary according to age and experience. Please reply giving full details of education and experience to:

Box A 6869, Financial Times,
10 Cannon Street, EC4P 4BY.

FINANCIAL CONTROLLER

Recently Qualified

West End

c. £9,500

A key member of the young management team, the Controller will supervise a department of four and maintain and develop the financial reporting and management information functions. Planning is an important element of the position in both the treasury and budgeting fields. Our client, a broad based creative service group with international interests, wishes to upgrade its finance function to cope with business expansion. Applicants should be qualified accountants with some industrial experience. Please telephone or write to Stephen Blaney, B.Com., ACA, quoting reference V162.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

TWO STRATEGIC ANALYSTS

c. £7,000 and £10,000

International Scope

This quoted British group with wide UK and overseas interests has achieved conspicuous profit growth both internally and by acquisition. The corporate headquarters, located in the Southern Home Counties, includes a high calibre financial staff intimately involved in the control and creative decision making of the group.

There is a powerful team, reporting to the Group Finance Director, appraising business situations and working on a wide variety of projects. They investigate and evaluate commercial opportunities and markets at home and abroad, and are involved in forecasting, fund raising, acquisitions and other financial functions. When decisions have been taken, there may be occasions for assisting in their implementation; and it is from this that there are substantial career development opportunities in either the financial or commercial areas of the group. From this and recent promotions, the current vacancies arise.

The senior post is for someone aged late 20's with several years' directly relevant industrial/commercial experience. Candidates must be able to develop and control projects on their own initiative, supervising others as necessary.

The second vacancy offers an opportunity for an outstanding younger person wishing to develop a career in this area.

All candidates should have very good degrees and must be numerate and articulate and able to make high level written and verbal presentations.

Salaries are negotiable and there are normal large group benefits including relocation assistance.

Candidates male or female; should send a detailed career history to the consultant advising on this position quoting reference G73/FT.

JWT Recruitment Ltd

Senior Financial Appointments

International Business

Our client is the international finance and marketing subsidiary of a major British Bank, based in the City of London. It has 40 subsidiaries in 15 countries and an impressive growth record. Each appointment presents excellent personal development opportunities and there are very good prospects of early promotion.

Group Financial Accountant c. £11,000 + car

To supervise the preparation of the Group's financial accounts; maintain and develop accounting policies and procedures throughout the Group; and advise Senior Management on Treasury matters. A Chartered Accountant aged about 30 is required, preferably a graduate, with experience both in a leading firm of accountants and a major multi-national organisation. An appreciation of international taxation and foreign exchange matters is essential, together with the ability to participate in the development of corporate plans. (Ref. 6435).

Financial Analysis c. £10,000 + car

The Manager, Financial Analysis and Profit Planning will be responsible for providing information to Group Management for evaluating the performance of Operating Divisions: this will include the preparation and review of operating budgets, corporate plans and investment proposals. He/she will also be responsible for developing and maintaining a computer-based management information system. (Ref. 6436).

Both appointments carry a company car, BUPA, pension and other benefits and are open to candidates of either sex.

Please write in confidence to Brian Luxton quoting the appropriate reference.

mh

Mervyn Hughes Group
2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants

01-404 5801

Financial Director Designate

Circa £11,000 + Car + Bonus

A unique opportunity exists for a top level, seasoned and professionally qualified accountant to fill the post of Financial Director Designate. Brevitt has a multi-million turnover and is a highly profitable member of a substantial group. The post carries responsibility to the Chief Executive of the Brevitt group for:
* Day to day financial control and guidance of a group of five companies
* Personal preparation and supervision of detailed monthly management accounts and other control information
* Direction and control of a substantial modern computer data processing function
* Key involvement in the group's policy and senior executive management decision making.

Brevitt's management philosophy is to keep its Senior Executive small and highly involved so creating a high level of personal responsibility.

The rewards for the successful applicant in this challenging position will be high:
* Appointment to the Board of Directors within 12 months
* Normal top level fringe benefits
* Total involvement with a small, professional and highly dedicated Board which respects results.

We believe that candidates below the age of 35 years are unlikely to have the experience required by this post.

Applicants should write giving detailed experience, career history and salary progression to the Chief Executive at:
Brevitt Shoes Limited, 181 Humberstone Road, Leicester.

Brevitt

Kemp-Gee & Co.

Members of The Stock Exchange

are seeking a
RETAIL ANALYST

John Hewitt and Geoffrey Carr are looking for an intelligent and personable analyst to aid them in their coverage of the food retailing and stores sectors. A couple of years experience of investment analysis would be ideal though this need not necessarily have been in the retailing area. Within eighteen months or so the successful applicant would be expected to emerge as a fully fledged member of the team. An excellent opportunity for the right person.

Please write, in confidence, to:
John Hewitt, Kemp-Gee & Co.,
20, Copthall Avenue, London, EC2R 7JS.



Finance Director

Approx. £20,000 pa + Substantial Benefits

A leading UK based international company has a key vacancy for a Finance Director in one of its operating divisions. The division is jointly owned with a major world-wide corporation. It operates as a profit-responsible unit with its own trading subsidiaries and has considerable autonomy in business and product strategy. Its manufacturing operations in the UK and overseas employ some 5000 people; turnover is around £60 million with considerable scope for growth based on well-researched product innovation. The Finance Director will need substantial experience in manufacturing industry with emphasis on operating effective controls and information systems in a batch production environment. Candidates, probably 35-40, will desirably have a degree and an accounting qualification. They should be experienced in US techniques of Controlling, including product line profit analysis, and be able to supervise formal accounting

processes. Cash management experience is essential, but major financing issues are handled by the parent organisation.

This post is the key staff role in support of the Division's Managing Director and has excellent career prospects for the right candidate, either in general management or in the finance function of the parent companies.

The position, based in the North Midlands, carries a profit-related bonus, an executive car and other benefits in addition to a base salary in the region of £20,000.

Ref. B9642/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager. Filing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Foreign Exchange Dealer

We require a Foreign Exchange Dealer aged 22/28 with at least 2-3 years' experience in all aspects of foreign exchange and Euro-currency deposits.

As well as a competitive salary we offer benefits commensurate with the position.

Please write giving full personal details to: P. F. G. Barnes, Assistant Director, Personnel, Kleinwort, Benson Ltd., 20 Fenchurch Street, London EC3P 3DB.

KLEINWORT, BENSON
Merchant Bankers

CHIEF ACCOUNTANT

City c. £10,000 p.a.

A major firm of City Solicitors wishes to recruit a qualified and mature accountant (A.C.A., A.C.C.A. or A.C.M.A.) to be responsible to the Head of Finance for the firm's accounts department and its staff of 100.

The successful candidate will be responsible for the day-to-day running of all operations of the department including DP, the preparation of monthly reports, management accounts and draft annual accounts and for assisting in the development of systems which are based on IBM computer hardware.

Candidates should be mature and widely experienced accountants, probably in their late 30s or early 40s, with an awareness of the particular concepts of partnership accounting, possibly with large firms of solicitors. The salary is negotiable around £10,000 per annum plus pension scheme and other benefits, and the firm has excellent working conditions in modern offices.

Applicants, male or female, should write in complete confidence giving full details of previous experience and current salary to: J. H. Hills, Annual Salary Survey, Management Consultants, 40/43 Chancery Lane, London WC2A 1JL, quoting reference C1472.



Finance in an International HQ

£6000-£10,000 basic London

ICL has a major success story to tell about its growth. It has become Europe's leading company designing, manufacturing and marketing business computer systems. We have doubled our turnover and profit in the last 15 years and in 1978 half our turnover of over £2,000m came from our overseas operations.

The career prospects for the men and women we appoint are excellent, with plenty of opportunities for those who prove their worth either to progress in Corporate Finance or to transfer into our operating units in the UK and overseas.

The salaries offered will depend on qualifications and experience. Please send details to: Kate Lawrie at ICL, ICL House, Putney, London SW15 1SA, quoting reference: F1477. Or telephone her on 01-788 7722 ext. 2645.

3 Financial Analysts

The Financial Analysts will be part of the team reviewing the plans and performance of the operating divisions. It is likely that you will be a Business Graduate or an Accountant, have experience of financial analysis in a major international company, and have the capability to help us further develop modern techniques of planning and control.

Senior Accountant

The accounting post would be suitable for a recently qualified Accountant with some experience of auditing the consolidated accounts of large companies. This would be a good transition job into industry.

International Computers

think computers - think ICL



Foreign Exchange and Currency Deposit Brokers

Our Clients are SARABEX LIMITED who, following their recent recognition in the London market, seek to recruit additional broking staff.

The current requirement calls for a number of experienced Foreign Exchange and Currency Deposit brokers in London, in Bahrain and Frankfurt.

This represents outstanding career opportunities for ambitious young brokers with a proven expertise to develop with a forward looking and professional organisation, with realistic salaries and benefits to match.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd

Tax Accountant

London Up to £11,000

The Confederation of British Industry has a vacancy in its Taxation Department for a well-qualified, able accountant in a team whose role is to promote and represent the interests of British business.

We are looking for a candidate interested in formulating proposals and advising on CBI taxation policy and accounting standards. The work will involve contacts at a senior level with CBI members and Government officials. The ideal candidate will have some

experience and an active interest in economics - a degree in economics or a closely related subject would be particularly valuable. An ability to write clearly and concisely is essential.

Salary will be competitive and depending on age and experience could be as high as £11,000 or possibly more for an exceptionally well qualified candidate.

For application form, please contact Sua Bridgett, Personnel Division, CBI, 21 Tolford Street, London SW1H 9LP (Tel. No. 01-930 6711).



The Confederation of British Industry
Britain's Business Voice

Financial Director

Designate

c. £13,500 (negotiable) + Car Bedfordshire

A privately owned, lively and expanding light engineering company (T/O £5 million) requires a qualified accountant for this most important appointment.

Reporting to the Managing Director, he/she will advise the Board on all present and future financial aspects of the business and ensure that tight controls are exercised in the negotiation and progress of contracts. Satisfactory performance will lead to an early Board appointment.

Candidates, preferably under 40, should have appropriate industrial experience gained, ideally in an engineering contracting environment and must possess independent but diplomatic temperaments. Salary is negotiable according to ability and experience. Normal benefits; relocation expenses.

Applications in confidence to E.A.C. Griffin (Ref. 6433).



Mervyn Hughes Group
2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants

01-404 5801

Senior Appointments

ACCOUNTANT

CONSUMER CREDIT

£10,000 + MORTGAGE BENEFITS

A brand new subsidiary of a well established City banking house offers a Qualified Accountant, aged 30-45, an opportunity to apply initiative and leadership setting up a new venture in the Consumer Credit field. Excellent benefits include Life Assurance, Pension. Ref: (B) 222. Write or telephone in strictest confidence to Mark Lockett.

ACCOUNTANCY PERSONNEL SENIOR APPOINTMENTS
41 London Wall, London EC2M 5TB - 01-588 5105

GROUP TECHNICAL

MANAGER

(Location - Australia)

The Bulkships Group, an expanding Australian-owned international shipowner, seeks to appoint an innovative and energetic executive to the Company's Head Office in Sydney, New South Wales.

The person appointed will be a skilled manager capable of directing a technical group involved in creative ship design, specification preparation, tender evaluation and supervision of ship construction. As the Company's marketing effort is largely based on providing innovative cost-effective solutions to today's shipping problems, the successful appointee will be expected to participate in the marketing of the Group's services as well as overseeing the efficient operation of the existing fleet, presently consisting of sixteen vessels.

This is a demanding role which will involve international travel and working within Australia.

It is probable that the right person will have a strong marine engineering/design background and proven management experience in shipping or a similar capital-intensive industry.

This is a senior appointment and the remuneration package, including relocation expenses, will be negotiable to attract a manager of the stature needed.

Applications, which will be treated in utmost confidence, should be marked "Private" and addressed to the Group's UK Agents:

McILWRAITH McEACHARN LTD.

65/68 Leadenhall Street

London EC3A 2DD, England

For the attention of the Executive Director.

Telephone enquiries may be directed personally to:

Mr. C. P. Barrington - Telephone (01) 488 2501

Corporate Audit Representative

Up to £12,000

Our client, the Corporate Audit Department of a major multi-national company, requires a Corporate Audit Representative for the U.K. The successful candidate will be located in or near London and will make operational reviews of all management functions in a wide range of business throughout the U.K. - including manufacturing, distribution, service, financial companies and others. He/she will also assist in training of local internal auditors and will maintain a liaison between the audit departments of U.K. subsidiaries and corporate headquarters. The job will probably require more than 50% weekday travel within the U.K. and occasional trips to other European locations.

The ideal candidate would be a Chartered Accountant in his/his mid 30's with a broadly based business background. The company has a comprehensive benefit scheme and will provide for relocation.

Please send full c.v. to:-

Sir John Trelawny, Korn/Ferry International Ltd., Executive Search Consultants, 2/4 King Street, St. James's, London SW1Y 6QL.



BANKING & FINANCE

ACCOUNT MANAGERS: Credit analysis, marketing and basic operations experience desirable. Aged 28-32.

OPERATIONS MANAGERS: Retail banking experience including securities, doc. credits, import/export bills. Aged 26-34.

LENDING OFFICERS: Experience required, formal lending training with 2 years credit analysis and basic operations exposure. Aged 30-35.

PROJECT FINANCE MANAGERS: Credit analysis training and experience of back-to-back/buyer credits and ECGD documentation for specialist lending appointments. Aged 30-35.

AUDIT INSPECTION: AIB's with basic operations experience or young Accountants with languages. Aged 26-30.

All these vacancies are based in C. London and carry excellent salary and benefits packages. We have many other urgent vacancies requiring quality bankers at all levels, if you are thinking of changing your position please contact Mike Jackson.

HUDSON SHRIBMAN INTERNATIONAL LIMITED

International Recruitment Consultants

29-31 Mitre Street, London, EC3.

Tel: 01-283 1954

A career in Corporate Banking Financial Institutions

We are seeking a qualified Banker to join our well established and expanding Financial Institutions Group based in London.

Ideally you will be aged between 28-35 and have a sound knowledge of the City's insurance and investment institutions.

Alternatively you may have an appropriate professional qualification and have gained equivalent experience, possibly as an analyst/lending officer in another international bank; or as an investment manager; or as an analyst/salesman in institutional stockbroking. Most importantly, you should be strongly motivated, have the will to succeed and possess the ability to deal effectively with people.

This is a senior post and we are offering an appropriate salary and benefits which will be negotiable. Career prospects are excellent and there will be scope to advance into a broader management role in due course.



Applicants, male or female, should please write in the first instance, giving full details of your career and salary to date to: Phillip Horsley, Assistant Manager, Personnel Department, Chemical Bank, Chemical Bank House, 180 Strand, London WC2R 1ET.

CHEMICAL BANK

Senior Financial Executive

London £13,000+

A well known Arab international investment group requires a fluent arabist to co-ordinate and develop the investment and financing functions of the London-based company.

Experience of International Investment/merchant banking is a pre-requisite of this key position and the successful candidate, who is likely to be in their early thirties, will be expected to maintain and expand both personal and institutional client relationships.

Salary, supplemented by a bonus, may be related to responsibilities for overseas affiliates as well as to the London-based company. Fringe benefits include a non-contributory pension, life insurance, enrolment in BUPA and relocation expenses where applicable.

Please send particulars to: L. F. Charlesworth, Knight Wegenstein Limited, 13/14 Cornwall Terrace, Regents Park, London NW1 4QP. Quoting Ref. 60420.



Knight Wegenstein Limited

Executive Recruitment Consultants
Management Consultants and Consulting Engineers
London - Stockholm - Geneva - Paris - Zurich
Düsseldorf - Madrid - Bonn - Stockholm - Vienna - Chicago

Financial Analyst

We are looking for an experienced analyst aged 26-28, who has spent at least 4/5 years in a Merchant Bank or Stockbrokers involved in company analysis covering a variety of U.K. Industries. A knowledge of foreign markets would also be a distinct advantage. The successful candidate must have experience in Financial Analysis, a high degree of technological competence and a good writing style. He, or she, must be a self starter and capable of working with a minimum of supervision.

The position offers the opportunity to work in a small specialised team within the Corporate Finance department. Promotion prospects are good for the right candidate. In addition to a competitive salary, fringe benefits will include house mortgage assistance, non-contributory pension arrangements and free life cover.

Please write giving details of experience and career to date to:

P.F.G. Barnes, Assistant Director, Personnel,
Kleinwort, Benson Ltd., 20 Fenchurch Street, London EC3P 3DB.

KLEINWORT, BENSON
Merchant Bankers

Creative Head

for London Transport's
Group Marketing Department
Salary range
£8,410 p.a. to £9,290 p.a.

As part of its general reorganisation London Transport has established a Group Marketing Department to win new business and expand its markets. A key vacancy exists within this new Department in the Publicity Office for a senior assistant to take charge of the creative side producing posters, maps, timetables, books, leaflets and all kinds of informational and promotional printed material about London Transport and its bus and Underground services, to control a print-buying section spending well over £1 million per annum, and to oversee London Transport's account with its advertising agency.

Applicants will probably (though not necessarily) be graduates with an arts or literary qualification. They must be able to write literately and persuasively, and set and maintain high standards of innovative writing, design and presentation. Equally essential is high administrative ability, with the personality to control and motivate staff at a variety of levels, and to run a tightly-organised in-house creative team with clear lines of project responsibility and performance control.

This is a demanding senior post, and its status is reflected in the salary offered. The scope and variety of output makes this a unique chance to make a visible and lasting contribution in a field where London Transport has a long tradition of excellence.

FREE TRAVEL ON LONDON TRANSPORT SERVICES AT ALL TIMES AND VALUABLE CONCESSIONS ON BRITISH RAIL TRAVEL.

Please apply in writing (quoting ref no 3877A) to Staff Appointments & Development Officer, 55 Broadway, London, SW1H 0BD, giving full personal and career details.

LONDON TRANSPORT

Director of Marketing

West London
c £17,500 and car

Our client is an American multi national organisation involved in the manufacture and sales of transportation equipment worldwide.

They require a Director of Marketing to be responsible for the development and co-ordination of European marketing strategy and new business identification through their operations in Europe.

The successful candidate will be a graduate with a flair for European languages. It will be necessary to display proven sales and marketing experience in the U.K. and Europe within a relevant engineering environment.

A salary of around £17,500 is offered including an attractive remuneration package and generous relocation expenses where appropriate.

Applications are invited from men and women preferred age 35/50 accompanied by a curriculum vitae quoting reference 3324FT.

Brian Saltzer

West One Selection

Recruitment Selection Consultants
61 Berners Street, London W1P 3AE 01-636 8791

Chief Accountant

Herts-Essex border

The company, part of a large British group, has a turnover of £20m. and is a market leader. It manufactures and sells roofing products to merchants and sub-contractors.

The Chief Accountant is responsible for financial accounting as well as the cost and management accounting function which is controlled by a qualified man. There will be some involvement with tax, foreign exchange and capital investment programmes.

Candidates must be qualified and have several years' financial experience in a manufacturing environment.

Salary negotiable but probably around £8,500 plus car. Re-location assistance.

Please send brief details - in confidence - to David Bennell ref. B.43600

This appointment is open to men and women.

MSL

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Management Selection Limited
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Hill Samuel & Co. Limited have a vacancy for a Dealer in their early to middle twenties with at least two years' experience in spot and forward markets dealing with Corporate Clients in addition to interbank business.

The successful applicant will be responsible for one or more actively traded currencies. The position offers scope for early promotion. A competitive salary will be paid together with the usual range of substantial banking benefits.

Please telephone or write in confidence to:

Mr. P. G. S. Coulson
Senior Personnel Officer
Hill Samuel & Co. Limited
100, Wood Street
London EC2P 2AJ
Tel.: 01-628 8011



LONDON REPRESENTATIVE

FOR AN

AMERICAN OIL COMPANY

Bunker Fuel Oil Negotiator required for London office of an American oil company.

Candidates will have several years' experience in the oil industry. The position will from time to time involve the incumbent in representing the company on a variety of aspects connected with the oil industry.

Applications, giving full career background, should be addressed to:

Box A.6873, Financial Times,
10, Cannon Street, EC4P 4BY.

SAVAGE & HEATH COMPANY LIMITED

The above Company
requires experienced brokers

to join their

Spot Dollar/Sterling section.

Please telephone or write to:

The Secretary,
Savage & Heath Company Limited,
Lee House, London Wall, London EC2Y 5AU.

01-606 0042

EUROBOND DEALER

required by leading market maker. Aged late 20s early 30s. Good experience of the secondary market. Position is London-based. Attractive salary plus substantial fringe benefits.

Write in complete confidence to Box A.6860,
Financial Times, 10 Cannon Street, EC4P 4BY.

STOCKBROKING International Arbitrage

The increase in the volume of business we are transacting has created an opening for a professional Arbitrage Dealer to join our experienced desk team. The salary arrangements are flexible and negotiable for the right applicant. A working knowledge of French or German would be a help but is not essential. If you would like to apply, please write in the strictest confidence to:

Christopher Bone
SANDELSON & CO. LTD.
85, London Wall, London EC2M 7AE

Managing Director Designate

circa £15,000 p.a.

Our client is a major progressive mechanised foundry complex with a multi-million pound turnover who has an international reputation for producing high quality castings.

With the impending retirement of the Chief Executive, it is now necessary to appoint a successor, and hence responsibility will, in due course, be for the total management of this profitable and successful business.

Essential requirements will be technical expertise with experience as a production executive as well as commercial competence.

The company is located in a very pleasant part of the United Kingdom. Initial salary is negotiable circa £15,000 plus car.

Candidates, of either sex, please write for an application form to D. G. de Belder, Knight Wegenstein Limited, St. Christopher's House, 217, Wellington Road South, Stockport, Cheshire, SK2 6LT. Tel. 061-477 8585. Reference 68246.



Knight Wegenstein Limited

Executive Recruitment Consultants
Management Consultants and Consulting Engineers
London - Stockholm - Geneva - Manchester - Zurich
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Foundry Appointments - International

Hanson Trust Limited

require a

Financial Comptroller

for its subsidiary company Butterley Building Materials Limited. This is one of the largest brick manufacturers in the U.K. with a turnover currently in excess of £22m. The Financial Comptroller will be based in Derbyshire and will succeed the present Comptroller who has been promoted within the group. The successful applicant will be responsible to the Divisional Chief Executive for all aspects of financial control.

Hanson Trust is a company which has increased profits from £11,000 to £26m. over the past 14 years and is committed to a policy of continuing growth by acquisition and organic progress. The position therefore offers enormous scope for an ambitious and energetic accountant to make a major contribution to its future growth, both from the financial control aspect and by taking an increasing responsibility for general management.

The successful applicant will be a chartered accountant with around ten years' professional and commercial experience. The salary for this position will be around £12,000 p.a., and generous fringe benefits are available.

Applications should be made to:

The Financial Director,
HANSON TRUST LIMITED,
180 Brompton Road,
London SW3 1HF.

INBUCON

Financial Comptroller London Up to £10,000

Our client is a well-known National organisation of charitable status who require a qualified Accountant to be responsible for all financial matters at Headquarters level.

The successful candidate, male or female, will be responsible for operating a comprehensive accounting system, embracing the whole of the Headquarters function. It will be necessary to provide financial and budgetary information enabling efficient operating decisions to be taken. The organisation relies upon its income both from self-funding and from the finances of a trading subsidiary which is a leader in its field.

The principal location is Central London although some travel will be involved, particularly in Southern England. The job will entail close interaction with senior advisors from the banking, accounting and investment professions in the City.

Please write with full details of career and experience in confidence to W.M. Stern, quoting reference number 3751.

INBUCON MANAGEMENT CONSULTANTS LIMITED
Executive Selection,
Knightsbridge House, 197 Knightsbridge, London SW7 1RN

FINANCIAL CONTROLLER

New York circa \$35,000

A recently formed British group, our client is engaged in the international development and marketing of systems and software products.

Reporting to the Director of Finance in the U.K., the successful candidate will have broad responsibilities and be closely involved with the provision and interpretation of management information and the financial investigation of acquisitions. Travelling regularly to a subsidiary company in Los Angeles, he/she will have an opportunity of contributing to the commercial development of the group.

Candidates will be qualified accountants probably aged 27-34 with experience in an industrial/commercial environment. They should have the ability to communicate effectively with management of other disciplines and be looking to join a small high growth group.

For further information and a personal history form please contact Nigel V. Smith, A.C.A. or Peter Dawson quoting reference 2566.

Douglas Llambras Associates Ltd.
Accountancy & Management Recruitment Consultants
410, Strand, London WC2R 0NS. Tel: 01-436 9901
121, St. Vincent Street, Glasgow G2 2HW. Tel: 041-228 2410
3, Colston Place, Edinburgh EH3 7AA. Tel: 031-225 7744



Banking Appointments Middle East

A major commercial bank based in the Gulf whose international network is growing rapidly is seeking to make the following Head Office appointments:

Assistant Manager - Loans Up to 40,000 US Dollars
An experienced senior Loan Executive is required capable of creating new business and expert in handling all aspects of international trade financing, multi-currency loans and guarantees, and relevant documentation from initiation to completion. (Ref. 6430)

Eurobond Dealer Up to 35,000 US Dollars
A Eurobond Dealer is required to join an existing team operating in the Eurobond primary and secondary markets. Candidates should have gained relevant experience with a leading financial institution, be capable of operating a secondary market Eurobond trading operation, and of assisting in primary Eurobond placement activities internationally. (Ref. 6431)

Both appointments carry good prospects. Benefits include free accommodation, a car, free medical care and 45 days holiday per year. Renewable contracts are for 2 years.

Applications in confidence under the appropriate reference to Gerald Brown.

mh

Mervyn Hughes Group
2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants



01-404 5801

Economist/Mathematician Middle East - c.£18,000 tax free

A large European consortium in Saudi Arabia engaged on a major telecommunications contract urgently requires an engineering biased economist/mathematician.

With a Master's degree in an appropriate discipline, you will have had at least five years experience in computer-aided statistical analysis of economic data and consequent inter-relationships, leading up to negotiations with contracting parties following detailed investigation. Your task will be to assist in determining the consortium's policy towards the client, based on studies of available data, high-level programming assistance being available.

This is initially an unaccompanied posting, but married accommodation could be available later. Excellent conditions include free housing, services and the provision of a car. Initially a one-year renewable contract, but there are long-term career possibilities.

The General Manager concerned wishes to interview candidates in London on Wednesday 22nd August, so please telephone Christopher Rodwell on 01-499 0342 for a preliminary discussion — our reference is 2394KS/FT.

Robert Lee International
24 BERKELEY SQUARE, LONDON W1X 6AR

Economist/ Econometrician

Our Economics Department is becoming increasingly involved in forecasting for corporate planning, etc. and we now have a vacancy for an Economist/Econometrician. Applicants should have a good University degree, and experience in the application of econometric techniques. The job will be located in Sheffield and the commencing remuneration would be within the range of £7,000 to £7,500 per annum.

The position offers the usual bank benefits. Applications in writing giving qualifications and career details should be sent to: N. V. Childs, Esq., Head Office Personnel Manager (Sheffield), Midland Bank Limited, Courtwood House, Silver Street Head, Sheffield S1 3RD.



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Financial Controller Overseas Subsidiaries

Wimbledon C £12,500+ car

This highly specialised and profitable Group provides a unique but essential service to the engineering industry worldwide. The position is newly created and effectively carries the responsibility for the accounting and finances of their new and established overseas interests. A great deal of your time will be spent in Europe, mainly Madrid and thus fluency in Spanish is essential, a knowledge of French would be advantageous. Probably aged in your 30's with a professional qualification, you will need to be fully conversant with the implications of a multi-currency operation and will have an opportunity to contribute significantly to the Group's growth.

Telephone: 01-836 1707 (24 hr service) quoting Ref: 0729/FT. Reed Executive Selection Limited, 55-56 St. Martin's Lane, London, WC2N 4EA. The above vacancy is open to both male and female candidates.

London Birmingham Manchester Leeds

Assistant Financial Controller Central London to £15,000 + car

Our client is an international market leader (T/O £70m) providing computer based systems and real-time information to the business community and the media worldwide. The successful candidate will report to the Financial Controller and in his absence deputise for him. The department numbers in excess of 80 staff. Applicants must have already held a position of responsibility in a line role and have proven man management experience. Because of the international complexities inherent in the role candidates (male/female) must be Chartered Accountants who have had several years' experience in a similar environment. They should be aged 30-35, preferably with a degree. REF: 1133/FT. Apply to R. P. CARPENTER, FCA, FCMA, ACIS, 3 De Warden Court, 85 New Cavendish Street, London W1M 7RA. Tel: 01-636 0761.

Phillips & Carpenter
Selection Consultants

A major international group with an impressive profit record requires a:-

PROJECT FINANCIAL CONTROLLER

This is an exceptional opportunity for an experienced senior financial executive of PROVEN ability, which ideally would include a knowledge of M.O.D. contract requirement. The prime responsibility is for the provision of the day to day financial, commercial and cost management expertise to achieve the costed targets of this large project currently being progressed in the Middle East. A certain amount of travel is required from a London base together with a high level of professional ability in an international environment.

The career prospects within this large group are good with a remuneration package generous enough to attract an experienced and ambitious executive.

London Age under 40 Salary £13,000

Our client wishes to make an early appointment, candidates should therefore make initial contact by phone quoting HS.

Robin R Whalley
INTERNATIONAL APPOINTMENTS (LONDON) LTD
(Executive Recruitment Consultants) Cable: Interapp, London SW1
Green House, 66/68 Haymarket, London SW1Y 4RH Telephone: 01-836 1624, 01-839 2831

BANKING OPPORTUNITY

An international Bank based in London, offers an exceptional career opportunity to a person of matching ability in the dual role of Chief Commercial Banking Officer—Europe and Deputy Chief Credit Officer. Responsibilities in the first role include development of an aggressive marketing plan to build a quality corporate and country loan portfolio in Europe and supervision of a team of bankers. A broad range of credit and marketing experience on location in several European countries for a major bank is essential. German and Italian an advantage. The second role demands an individual with comprehensive country and corporate worldwide experience to maintain the existing loan portfolio and assist in setting and maintaining appropriate credit policies to achieve new loan growth. Previous experience in credit/control auditing with a major bank essential. Salary circa £22,000 with usual fringe benefits.

If you have a minimum of 10 years banking experience, an economics degree and think you can handle this position, please write in strictest confidence enclosing curriculum vitae, to: Box A.6871, Financial Times, 10 Cannon Street, EC3P 4BY.

ACCOUNTANTS IN BANKING

A major North American bank is seeking a qualified Accountant around 30 years of age with several years' experience, preferably in a banking environment, to be responsible for total accounting function. Position carries Assistant Manager status. Career advancement after two to three years to Corporate Finance envisaged.

Salary circa £11,000

An American bank requires a recently qualified Accountant with experience of bank auditing to join a small team in the financial control department.

Salary circa £7,500

These vacancies are open to male and female applicants

BSB Banking Appointments

115-117 Cannon Street, London EC4N 5AX Telephone 01-633 7317 & 01-633 9161

FINANCIAL MANAGER TAX FREE—KUWAIT

Our client is a successful international construction organisation and wishes to appoint a qualified accountant, to be responsible for both Head Office and Site accounting functions, as well as all management back-up information systems. Revision of the existing manual systems for future computerisation is envisaged also. The successful candidate, aged 30+, will have spent considerable time in both a professional and contracting/consulting environment. Preference will be given to candidates with overseas experience.

Benefits offered include free furnished, air conditioned, married accommodation + company car + medicare + generous UK leave + airfares. A high tax free salary, commensurate with experience and potential will be offered.

In the first instance, please contact J. Farrington, B.Sc.

MALLA MANAGEMENT CONSULTANTS LTD.
12 DEVONSHIRE STREET, LONDON WIN 1FX
Tel: 01-636 5991

FACTORING Client Account Manager

We are an expanding international organisation servicing clients in the UK, Europe and North America. Market leaders in the fast-growing UK factoring industry, our continued growth means we now need an additional Client Account Manager.

The members of our Client Relations team are responsible not only for maintaining successful relationships with clients but also for monitoring the profitability, security and effectiveness of our service. Working for a wide variety of companies involves considerable challenge and responsibility. It calls for sound business sense and the ability to deal with people at all levels. Candidates, men or women aged 29+, should have several years' successful experience of factoring or a related activity such as invoice discounting, credit insurance, or corporate finance/banking. A professional qualification would be an advantage, and a high standard of literacy and numeracy is essential.

We offer an attractive starting salary, a company car and a generous range of benefits commensurate with our position as members of a major banking group.

Applications, giving brief details of career to date, will be treated in strict confidence and should be addressed to:-

L. M. Bland, Director,
Credit Factoring International Limited,
Smith House, P.O. Box 99, Elmwood Avenue,
Foltham, Middlesex, TW15 7QB.

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CLERICAL ASSISTANT TO LOAN MANAGERS—Opening for Graduate Econ. or Law, perhaps banking experience useful not essential. Age around 22.

Salary negotiable at generous level.

Reply with full cv. A.J.B.,
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£9,000 CITY

Our client, a newly formed firm of Lloyd's Brokers are seeking to recruit a qualified Chartered Accountant. The successful candidate will report to the Managing Director and be responsible for the total accountancy function on a recently introduced computerised system. Please telephone quoting ref. FT 0586.

DUNLOP & BADENOCH (Agr)
31 Percy Street, W1 0T-323 0886
25 Lime Street, EC3 01-623 3544



APPOINTMENTS ADVERTISING
is continued today on the
following page

FINANCIAL ACCOUNTANT

London WC2

Circa £11,000

Our client is a subsidiary of a large US corporation which over recent years has established an impressive growth record.

The company now seeks to recruit a financial accountant to control the preparation of financial accounts and oversee the day to day running of a small accounts department. He/She will liaise closely with overseas operations ensuring their compliance with local statutory requirements.

Candidates will be qualified accountants probably aged 28-35 and, whilst ideally with commercial/industrial experience, those currently in practice will be carefully considered. Previous exposure to computer based systems is important, and a knowledge of, or interest in, corporate taxation would be a definite advantage.

For detailed information together with a personal history form, please contact Peter Dawson or Robin F Taylor B.A., C.A., quoting reference 2568.

Commercial/Industrial Division
Douglas Licentious Associates Ltd.
Accountancy & Management Recruitment Consultants
410, Strand, London WC2R 0NS Tel: 01-636 9501
121, St. Vincent Street, Glasgow G2 5HW Tel: 041-225 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744



Accountant

Central London

£8,500+ Car

Letraset International has a high growth record with interests now extending from graphic and commercial arts products to rare stamps, coins, maps and other collectors' items.

The rapid development of the group has highlighted the essential contribution of the financial analysis function to the continued success of the business. To strengthen the function further, we are now seeking a young professional to take responsibility for the production of the group balance sheet and profit and loss statements, together with the reconciliation of management reports with cash flow forecasts and financial accounts. The successful applicant will also be expected to further develop this role to incorporate the critical analysis of financial data, results and trends.

Candidates should be qualified accountants, ideally with experience in an international vertically integrated company.

Preferred age range 24-30.

Please send comprehensive career details to:

The Personnel Manager,
Letraset International Limited, 7 Apple Tree Yard,
London SW1Y 6LD.



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Age 25-40 Basic Salary to £8,000 + Benefits

A major Finance House requires a Branch Manager for its Crowdon Office. Applicants will have a sound track record in Consumer and Industrial Finance and be able to demonstrate good management skills. Previous experience within the area is desirable but not essential. A challenging opportunity offering good prospects and attractive benefits including company car.

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Barbados
Excellent salary, car and fringe benefits

- A prestigious and substantial hotel/apartment complex in Barbados wishes to recruit a young, ambitious qualified accountant to act as Financial Controller for its expanding and profitable operations.
- The successful applicant will probably be aged between 25-35, either single or married, have a pleasant outward going personality, with the ability to liaise at all levels. Experience of the hotel industry either in the profession or in commerce would be a major advantage.
- The total benefits package is extremely attractive and is for a two year contract representing an exceptional opportunity to work in a friendly but challenging business environment.

Please write or telephone, quoting ref. 852, to S.W.J. Adamson F.C.A. or R.A. Merrin A.C.A., Grosvenor Stewart Limited, 15 Theobald Street, Hitchin, Herts. Tel: (0462) 53303 (24 hour answering).

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Executive Search and Selection



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CITY

Package up to £11,000 inc. car

Our client, a dynamic and diverse financial and industrial group with overseas interests, wishes to recruit a recently qualified accountant to join their small head office team. The successful applicant will gain experience in a wide variety of routine and ad hoc duties working with computerised accounting systems. Travel to the subsidiaries in the U.K. and occasionally to Europe is necessary but will be for short periods only. Applications are invited from qualified accountants, aged 27-32, preferably with some commercial experience of computer-based systems and ideally with a knowledge of corporate taxation.

In addition to salary and car the package includes substantial mortgage allowance, free executive lunches, BUPA and non-contributory pension scheme. Assistance with relocation expenses will be provided where appropriate.

Applications to **R. J. Welsh**

Reginald Welsh & Partners Limited.
Accountancy & Executive Recruitment Consultants
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KING'S LANGLEY, HERTS



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* The successful candidate will:-
* Have Audit experience at Audit Supervisor level or above, preferably in an engineering environment.
* Be proficient in written and spoken German or French.
* Preferably be familiar with US/European accounting procedures.
* Be prepared to travel widely throughout Europe.
* Additional to salary, a comprehensive benefits programme in line with major international employment is provided and relocation expense to near the UK Base will be paid where required.
* For an application form, please contact Linde Hayward, Recruitment Secretary, on Windsor (07535) 67175 (24 hrs) Quoting Ref. FC/305/3

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Smaller bank in London requires Exchange Control Adviser Must be Bank of England approved. Please send C.V. to: Box A.6872, Financial Times, 10, Cannon Street, EC4P 4BY.

APPOINTMENTS WANTED

East Malaysia - Saba

Youngish man, ex civil servant, bilingual in English and Chinese, seeks responsible employment at home or abroad. Excellent references. Available for interview in Kota Kinabalu. Replies to Tan, P.O. Box 1423, Kota Kinabalu.

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Credit Analyst c.£9,000 + perks, 7 years' experience required by leading international bank based in the City. Credit Analyst c.£5,000/£5,500 + bonus additional perks, with 3 years' experience, preferably with U.S. Federal Bank Credit Training, for leading international bank. Age mid-twenties. Ring for appointment YPN EMPLOYMENT 01-283 6022

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Lawyer with first class training required to join small rapidly expanding law firm in Caribbean tax haven. No island paradise yet, but with great possibilities. Mainly corporate and commercial work, some civil litigation. Partnership prospects excellent. Attractive salary. Write in first instance, with full details of education, career and interests to:

THE MANAGING DIRECTOR CHRISTOPHER CORIAT AND COMPANY LIMITED 18th Floor St. Alphage House 2, Fore Street London EC2Y 5DA

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The client is seeking a well-organised, marketing-orientated UK company with ample experience and brand concepts in distributing consumer goods (preferably jeans or sporting garments) as their exclusive distributor in the United Kingdom. This is an excellent opportunity for firms which wish greatly to increase their turnover or to diversify into this field. It is projected that the turnover in the first year of operation will exceed £3 million.

Interested parties are requested to give full particulars of their marketing experience, financial capacity and any other relevant details to substantiate their eligibility to: PRICE WATERHOUSE ASSOCIATES SOUTHWARK TOWERS 32 LONDON BRIDGE STREET LONDON SE1 9SY quoting reference MCS/8777

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Our client is an established corporate member of the Stock Exchange, London employing excellent computer based office systems. They can offer Associated Members, attachees and dealers an attractive range of support services, plus up to a 50 per cent return commission.

Principals are invited to contact, in strict confidence: D. F. Robinson of Spicer and Pegler, Chartered Accountants, 56/60 St. Mary Axe, London EC3A 8BJ.

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EFFICIENT AND FINANCED REQUIRED Young Accountant requires additional financial resources to launch a new concept of an existing consumer product with large worldwide market potential. Proposals invited. The product is well suited to the millennial market. Required: Person with marketing abilities to participate actively in the launch, plus £1,000. Substantial bonus on successful launch. Write Box G.4392, Financial Times, 10, Cannon Street, EC4P 4BY.

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Small to medium efficient Sheet Metal and Construction Manufacturing Company, specialising in Conveyors, Pressure Vessels and Batch Production Fabrications. Would be interested in making available regular capacity to company offering continuity of work. South London Area. COMPANY 2. Write Box G.4388, Financial Times, 10, Cannon Street, EC4P 4BY.

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Required. Prime quality stainless steel sheet and coil. 12% nickel and 18% chrome. 1/2" and 3/4" thick. 48" wide. Non-magnetic. Quality coil weight about 1200 kg. 11 26 610 5mm x 1200mm 3000m T. 12 26 610 5mm x 1200mm 3000m T. Please quote prices in U.S. dollars. Free samples available. Write to: C&P main Indian Ports. Offers, in confidence, to: Mr. K. S. Gopal, AITAS SERVICES, 51, Najafpore, Lower Ground Floor, 110 013, India.

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Consumer Products Malaysia and Singapore

Our client, a progressive British owned Company based in Singapore is setting up a new sales operation to market products in Malaysia and Singapore either through retailers or direct to consumers. They now seek additional products of high potential which would be suitable for the above mentioned markets. New items, appliances and products for home improvement, leisure or personal care are examples. Anything will be considered. Local production is a possibility and substantial funds are available for investment and promotion. Interested principals should contact Richard Taylor at the address below.

Marketing Improvements Limited 17, Ulster Terrace, Regents Park Outer Circle, London N.W.1. Tel: 01-457 7811

BUSINESS OPPORTUNITY

COMPLETE FACILITY TO MANUFACTURE PRESSED STEEL RADIATORS FOR CENTRAL HEATING Includes two 2,000-ton Blis Presses with Automatic Stock Feeds, Tooling, Welding and Painting Facilities, Packaging and Shipping Equipment. Installed in England. Sales volume potential £10,000,000 per year. Product well accepted in U.K. market. Also available, same location, Automotive or Appliance Pressing Facilities. Includes four 500-ton, one 450-ton, one 300-ton and five 250-ton Wilkens A, Mitchell S.A. Presses, 750-ton Wilkens & Mitchell 750-ton Clearing D.A. Presses, Cut-To-Length Line, Coating Line and numerous small presses 10-100-ton Shears, Press Brakes and related equipment. Inspect on site - Set up and ready to run Weldon F. Stump & Co. P.O. Box 315 "C", TOLEDO, OHIO, 43607 U.S.A. Telephone (419) 243-6221 Telex 284472.

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Family & Trusts own property companies with net value well over £1m (only one mortgage £56,000). Present income £150,000 per annum. Could be interested in a share exchange to avoid C.G.T. Suggestions invited. Write Box G.4377, Financial Times, 10, Cannon Street, EC4P 4BY.

FINANCE FOR THE DEVELOPING COMPANY

Obtain details of our Factoring and Invoice Discounting Services. ARBUTHNOT FACTORS LTD. Breeds Place, Hastings TN34 3DG Contact: S. E. Finch Tel: 0424 430824 or Telephone: Leeds 0532 44578, Birmingham 011-4547952.

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An established private company, considering a public quotation and wishing to diversify have CASH AVAILABLE to purchase a profitable well managed and well serving company. All types of business considered. Write in confidence to: Box G.4381, Financial Times, 10, Cannon Street, EC4P 4BY.

BUSINESSES FOR SALE

REPUBLIC OF IRELAND

Company for Sale or would consider 50/50 Partnership Rural area near Dublin, manufacturing, wholesale and retailing turnover over £1,000,000. Company valued £1.2m. Large factory/number of new warehouses, planning permission for a further 40,000 sq. ft. of warehousing. Further details to Principals only. Write Box G.4376, Financial Times, 10, Cannon Street, EC4P 4BY.

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SUBSTANTIAL MOTOR BUSINESS WELL SITUATED IN CENTRAL SCOTLAND. Volume franchise with 800 new unit contract for 1979. No petrol. Total sales in excess of £2 million. Good property interest. Price £500,000 plus stock. Apply: 10 MELVILLE STREET, EDINBURGH. Tel: 031-226-8421. LONDON: LEDES-EDINBURGH CANTERBURY-WINCHESTER IPSWICH CHELTENHAM CARMARTHEN LYXTER-TURRO

FOR SALE AS A GOING CONCERN

SOFT DRINKS MANUFACTURING BUSINESS with sales and distribution network in South Yorkshire. Principals only please reply to: T. FOY AND CO. Management Consultants 85 Westbury Road, Cleethorpes DN35 0QJ.

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General and Life Commission Income Offers £50,000 per annum. Mainly Commercial Accounts Offers invited in Confidence Write Box G.4387, Financial Times, 10, Cannon Street, EC4P 4BY.

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Well established South of London Lithographic Plate-making Company. Write Box G.4388, Financial Times, 10, Cannon Street, EC4P 4BY.

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Managed leasing business for sale. Yield on original cost of equipment, net of expenses, over 15%. Prime equipment and leases. Anticipated residual life at least nine years. Write Box G.4389, Financial Times, 10, Cannon Street, EC4P 4BY.

MEDIUM/HEAVY ENGINEERING & DIVERSIFIED GROUP

Established 49 years Profitable until last financial year. Require financial support. Part or whole equity available. Projected turnover £6,000,000+. Firm orders approaching £2,000,000. Very well equipped. Principals only apply. Box G.4379, Financial Times, 10, Cannon Street, EC4P 4BY.

FOR SALE

A THRIVING WHOLESALE CASH & CARRY/CONVENTIONAL SUPPLYING MOTOR ACCESSORIES & PARTS ETC. Turnover £1 million. Net profit £60,000. Freehold site. Genuine reason for sale. Principals only please write to Box G.4387, Financial Times, 10, Cannon Street, EC4P 4BY.

FOR SALE

CREDIT SALE/HIRE PURCHASE AGREEMENT Good quality. Previous credit history and track record available on each agreement. Write Box G.4291, Financial Times, 10, Cannon Street, EC4P 4BY.

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ORIGIN. MUSIC and recordings, unique. Commissioned income in excess of £20,000 per annum. Agencies with all testing equipment. No staff. Offers invited. Write Box G.4387, Financial Times, 10, Cannon Street, EC4P 4BY.

EXPORT PACKAGING

A public company in the Packaging industry is seeking to expand its interests in Export Packaging. Any company in the London area with a turnover ranging from £1m-£2m wishing to sell all or part of its business would be seriously considered. Please apply to: Box G.4385, Financial Times, 10, Cannon Street, EC4P 4BY.

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Progressive private company with marketing, selling and financial skills seeks acquisition of company manufacturing consumer products. Minimum turnover approx. £1m p.a. Flexible financial and employment terms negotiable. Write Box G.4287, Financial Times, 10, Cannon Street, EC4P 4BY.

TECHNICAL PUBLICATION COMPANY REQUIRED

with 10-15 years' experience or potential. All replies answered and treated in the strictest confidence. Write Box G.4375, Financial Times, 10, Cannon Street, EC4P 4BY.

PRIVATE INVESTOR

is looking for controlling interest and Boardroom control in quoted/suspended company. Apply in strict confidence to: Box G.4378, Financial Times, 10, Cannon Street, EC4P 4BY.

£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on the 14th August 1979

Table with 4 columns: Job Title, Salary, Location, Advertiser. Includes roles like Young Qualified Accountant, Accountants, Senior Business Analyst, etc.

For the full text of the advertisement, please see the Financial Times of that date or telephone Sally Stanley on 01-248 5597

COMPANY NOTICES

OLYMPUS OPTICAL COMPANY, LTD.

(Olympus Kogaku Kogyo Kabushiki Kaisha) S. G. WARBURG & CO. LTD., as Opaordinary, announce that a dividend of Yen 3.75 per Common Share at Yen 50 has been paid to shareholders on the books of the above Company as at 30th April, 1979, in respect of the six months period ended on that date. As a result the Opaordinary Shares are entitled to a dividend of Yen 75 which converted at the Exchange Rate ruling on 6th August, 1979, of Yen 216.30 = U.S.\$1 produce U.S.\$0.343594 per Opaordinary Share.

After adding the fractional amount brought forward from the last dividend, in accordance with paragraph 12 of the Opaordinary Receipt, coupons will be paid at the following rate per Opaordinary Share: Under deduction of 15% Japanese Withholding Tax = U.S.\$0.29 Under deduction of 20% Japanese Withholding Tax = U.S.\$0.28 A fractional amount of U.S.\$0.00982 per Opaordinary Share is withheld and will be added to the next dividend when paid.

Holders of Opaordinary Receipts may present for payment Coupon No. 28 which becomes payable on 18th August, 1979, to S. G. Warburg & Co. Ltd., Coupon Department, St. Albans House, Goldsmith Street, London, EC2P 2DL, or at the offices of any of the undermentioned Sub-Depositories subject to deduction of Japanese Withholding Tax and Income Tax (if any) at the appropriate rates. Details of tax deductions may be obtained from the Opaordinary or Sub-Opaordinary, SUB-DEPOSITARIES:

- The Bank of Tokyo, Ltd., Brussels, Belgium
The Bank of Tokyo, Ltd., Düsseldorf, Germany
The Bank of Tokyo, Ltd., Paris, France
The Bank of Tokyo, Ltd., New York, U.S.A.
Algemeen Bank Nederland N.V., Amsterdam, Netherlands
Banque Generale du Luxembourg S.A., Luxembourg

S. G. WARBURG & CO. LTD., as Opaordinary, 30, Gresham Street, London, EC2P 2EB, 16th August, 1979.

EUROPEAN PEREAS LIMITED (CPNs)

The undersigned announces that, as from August 1979 at least, Associate N.V., Suisstraat 172, Amsterdam, N.H., dated 15th February, 1979, notice is hereby given that the Rate of Interest has been fixed at 12 1/2% and the Coupon Amount payable 15th February, 1979, is 100.000.000.000. The coupon will be paid on 15th February, 1979, at the offices of any of the undermentioned Sub-Depositories subject to deduction of Japanese Withholding Tax and Income Tax (if any) at the appropriate rates. Details of tax deductions may be obtained from the Opaordinary or Sub-Opaordinary, SUB-DEPOSITARIES:

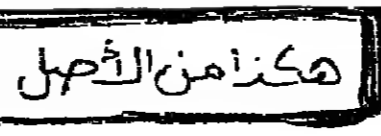
SONATRACH U.S.\$50,000,000 FLOATING RATE SERIAL NOTES DUE 1981

In accordance with the provisions of the Agency Agreement between SONATRACH and Citibank, N.A., dated 15th February, 1979, notice is hereby given that the Rate of Interest has been fixed at 12 1/2% and the Coupon Amount payable 15th February, 1979, is 100.000.000.000. The coupon will be paid on 15th February, 1979, at the offices of any of the undermentioned Sub-Depositories subject to deduction of Japanese Withholding Tax and Income Tax (if any) at the appropriate rates. Details of tax deductions may be obtained from the Opaordinary or Sub-Opaordinary, SUB-DEPOSITARIES:

16th August, 1979.

CLUBS

EVE has outlined the others because of a policy of fair play and value for money. Superb from 10-3.30 am. Discs and 100 music/amps/bluetooth/hotspots, exciting live bands. 18, Regent St. GARGOYLE, 98, Dean Street, London, W1. NEW STRIPTEASE LOOKBOOK 11-3.30 am Shows at Midnight and 1 am. Mon-Fri. Closed Saturdays. 01-437 6453.



THE MARKETING SCENE

Call for 'commercials on BBC'

BY MICHAEL THOMPSON-NOEL

WITH INDEPENDENT Television still blocked out by industrial action, this may seem a fine time to be wondering about the fate of the fourth TV channel...

the following beliefs: that TV quality must be maintained; that competition in advertising sales must be introduced...

DIRECT SELLING IN THE U.S.

The sniper versus shotgun

BY DAVID LASCELLES IN NEW YORK

THE TINY town of Elm City, North Carolina, boasts a mere 1,500 souls. But its postal business is one of the largest in the country...

special arrangement with TGI, the market research organisation which produces the most detailed breakdowns of the U.S. market available anywhere...

income groups because they have greater discretionary spending, and are more willing to try out new products...

be prepared to spend the biggest sums of money and there is no guarantee that a person redeeming a coupon is a new or permanent convert...



accounts for about 3 per cent of all coupons outstanding (by far the majority of coupons come as clip-outs from the printed media)...

boost its Crystal Grain Folgers Coffee. Like many mail shots, it ran in tandem with a TV campaign...

Girard estimates that there are only 60 brands in the U.S. that can afford a mailing once a year and many of them are not "conquest" brands...

NEW PRODUCTS

Glorious flight for posterity

THE LAUNCH of a new Scotch whisky called Glorious 12th and modestly dubbed the finest blend in the world...

To launch a new brand of Scotch demands ingenuity and hoop-la, such as parachuting fresh grouse into the moat of Leeds Castle...

spoke with feeling about "this distinguished occasion..." He warmly thanked his hosts for their "primely and most spectacular hospitality"...

champagne. Some trad reverently through the very room where Arab and Israeli peace talks were held amid the utmost secrecy last year...

It was undoubtedly a lavish and expensive affair, but Glorious 12th is a lavish and expensive drink...

ENERGY INTO THE TWENTY-FIRST CENTURY. GROSVENOR HOUSE HOTEL LONDON. Speakers include many well known personalities...

The more you give to the RNLI the less you give to the taxman.

Make a large donation to the RNLI and there are ways you can make the taxman more charitable. 1. Capital Transfer Tax. You don't need to pay capital transfer tax on a gift to the RNLI...

Mr. Buxton says that the company was formed in the early 1960s (no-one seems to know anything about the eponymous Mr. Buckmaster or his sons) when its founders felt that quality standards were declining in the Scotch whisky industry...

The Lost Consumers

The Guardian begs all decent-minded admen to spare a thought for the plight of 600,000 people. They have money, they have education, they have their ambitions, their dreams...

They are the 600,000 people who watch little ITV and—strangest of all—whose only daily is The Guardian. But you won't speak to them, because you know that they're all down-at-heel extremists without a penny to bless themselves with...

Won't you help them? One ad carefully placed in The Guardian for something nice and expensive would mean so much to them—and to you.

THE GUARDIAN 119 Farringdon Road, London EC1R 3ER. 01-278 2332. 164 Deansgate, Manchester M60 2RR. 061-832 7200.

Over 100,000 people would have been lost without us. RNLI

Stormy voyage for the Borag's owners

A proven route to synfuels

BY DAVID FISHLOCK

IN THIS column last month my colleague Anatole Kalesky argued that now was the time for Britain to be buying more coal from abroad, while it was still going cheap. I would go further. If Britain seriously believes its own coal might be used to make transport fuels and chemical feedstocks it should in the wake of Nigeria's nationalisation of part of Britain's oil industry — seriously consider investing in South Africa's "synfuels" technology.

South Africa is the only country in the world with commercial experience of making oil from coal. President Carter wants to spend \$850m — more than three times the cost of landing man on the moon — on a synthetic fuels programme. Yet no U.S. company has a commercial process at present. One of many processes the U.S. Department of Energy has been considering is Sasol, the South African process — the one known to work.

Enthusiasm

South Africa is a natural laboratory for synfuels, one of two big new energy industries — the other is nuclear — generally expected to supplant natural oil and gas. The country has thick seams of coal, fairly easily mined, yet not so clean as to be unrepresentative of coals elsewhere. Still more important, it has a pressing need to perfect synfuels technology both for transport fuel — 70 per cent of its oil use — and for chemical industry feedstocks.

South Africa's enthusiasm for synfuels is kindled by research done by its scientists at Imperial College in London in the 1920s. In the 1930s its mining industry licensed German technology, which later produced oil from coal for the beleaguered German army. South Africa itself began planning its first oil-from-coal plant in 1951, under the aegis of Sasol, the state-owned South African Coal, Oil and Gas Corporation.

Sasol first manufactured oil in 1955. But henceforth it didn't prove easy. As its former chairman, Dr. P. E. Rousseau, "father" of the technology, has said: "For a period of five years we had more trouble on the plant than any other undertaking I have ever heard of."

The pressures, temperatures and intrinsically very explosive properties of coal dusts and vapours bring all the dangers of deep coalmining right to the surface. To quote Dr. Rousseau again, shortly after an explosion which killed seven of his workers, "we turned the wild beast into a purring cat which still scratches now and again when it is not circumcisedly bandaged."

From the mid-1950s until 1973, while world oil remained constant in price, it was difficult for Sasol to persuade its government to invest in more capacity. Instead it advised the stockpiling of oil, in spent coalmines leached by water. This has proved to be a remarkably astute investment.

But its scientists continued to develop the old German technology, discovering more efficient catalysts and better ways of handling the complex chemistry. It built up the most experienced team of technology in synfuels to be found anywhere in the world. What is more, they had feedback from the market, for every petrol station in South Africa, by government order, stocks Sasol petrol.

Today Sasol is installing oil-from-coal capacity planned to provide nearly half of South Africa's needs for transport fuels in the early 1980s. The technology, though basically the German Fischer-Tropsch process and primitive in the eyes of some U.S. chemists, has come a long way.

Oil prices

Sasol is coy about costs of production. The chemical industry in South Africa, also deeply embroiled in the conversion of coal, believes it may be three times the present world price. Yet this may not be so expensive when one thinks of what South Africa must be paying for the few small spot purchases it manages to make; and when one considers that oil prices are likely to continue to rise.

Britain has done some very innovative science in the field of synfuels, involving British Petroleum as well as the state-owned gas and coal industries. Neither pride nor prejudice should now prevent it from buying the experience of a nation which has learned how to make one process work.

JAMES ONEDIN was a sailor before he became a shipowner and his sister, Lady Elizabeth, though not a sailor, was quite capable of managing her Fraser shipping line. Even so, they ran into quite a lot of trouble, enough for the BBC 1 series to continue for another year.

Still more adventures are in store for owners of ships who are neither sailors nor have the expertise necessary to manage them and have to employ management companies in much the same way as wealthy investors without financial expertise employ portfolio managers.

The relationship between shipowners (or investors) and their managers may be a legal frontier and over the seas, and even if governed by English law, may be influenced by the different legal concepts used by foreign parties and their lawyers.

The agreement was concluded in 1969 and for two years everything went smoothly. It became an established practice that the owners paid to the managers an advance of \$85,000 on the fifth day of each month and settled any balance of their monthly expenses on receipt of a statement with supporting documents. The trouble started in October, 1971, when the tanker entered dry dock at Cadiz and the managers requested an immediate transfer of \$307,000 without providing any evidence for the usual retention of only \$150,000 and delayed the usual monthly advance. On December 14 the managers asked for an immediate remittance of the December advance plus \$82,000 of additional expenses incurred in November. The owners asked for the usual verification of these additional expenses, but on the following day the managers demanded an immediate payment of \$200,000, threatening that if the money did not reach them the next day they would tell the crew that they had no funds to pay their wages and that the vessel was to be sold.

Relationship

This delicate relationship between shipowners and their managers, and the question of how far managers can go to enforce their own claims against owners, came under scrutiny recently before Mr. Justice Mustill in the High Court in London. But the events which provided an occasion for a study of the effects a foreign legal ambience has on the English law of trust were by no means delicate. On the contrary, it appears

While these telex exchanges were going on between the owners and their managers the tanker left the dry dock and sailed for Dakar with Mr. Van Brakel, an employee of the managers, on board. On December 14 or 15, that is before the requested money could even reach the managers' account, Mr. Van Brakel was instructed by his employers to try to get the tanker into South

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

African territorial waters at Cape Town. To achieve this he told the Master of the tanker that he and his crew were from now on in the service of, and working for the managers — which, of course, was not true. The Master was suspicious and asked the managers to confirm this statement, but received no reply. In the absence of a denial he obeyed the order of Mr. Van Brakel to anchor at Cape Town on the morning of Friday, December 17, and not to give any radio or other messages which could bring this manoeuvre to the notice of the owners. As soon as the vessel arrived at Cape Town it was arrested on the orders of the managers for the recovery of

sums which they claimed to be due to them from the owners. It took another 13 days before the owners and their managers came to an agreement under which the owners provided a bank guarantee to secure the release of the vessel. The money was actually due to the managers, but was retained by the owners. This was settled by London arbitration. In addition, the owners were awarded \$80,000

loss suffered by the detention of the ship. A crucial clause of the management agreement provided that the managers should perform their task "as a confidential manager with the same seal, application and energy as if the vessel were his own property belonging to his own firm" and to watch over the owners' interests as a *bon père de famille*. The contract was drafted in French and the term *bon père de famille* was subject to some discussion prior to signature. It was translated as "a dedicated father of a family" and said to be very similar to the common-law concept of trust. The managers said they would be acting as trustees on behalf of the owners but declined to include this statement in the agreement on the grounds that it was superfluous.

Irrelevant

When it came to the calculation of the managers' liability Mr. Justice Mustill held that the umpire was wrong in excluding the owners' claim for interest they paid in respect of the bank guarantee. It was irrelevant whether the managers did or could foresee the payment of interest. In the absence of special circumstances damages are recoverable as a matter of course and the inclusion of a proper clause of mitigation of loss is deemed to be foreseeable. The judge thought the old dispute ought to be put to rest. But it will not. There will be an appeal.

High Court, Queen's Bench Division, "BORAG" Judgment of June 23, 1979, unreported.

Points system needs changing

ALTHOUGH THE original idea behind the Gilbey Racing Championship Awards was undoubtedly an enterprising one, there is now no doubt in my mind that the structure on which the pointing is based needs a radical change.

We are already fast approaching the tail-end of the season, and the standings can be seen to mean either a little or a great deal, which every way you want to look at them.

Irish River heads Gilbey's European Champion Table with 440 points, followed by Dickens Hill (370), Fatusal (360), and Troy (340). The Sprinting is headed by Thatching with 240 points, followed by Double Form (220), and Ahonora (140). Kris and Le Moss have collected many more points than their rivals for Miller and Stayer honours respectively.

There will be a few wanting a double-take at Gilbey's middle distance category. Guy Mecene was beaten out of sight by the de Boer in the Gordon Cup and lost to Troy in the King George VI and Queen Elizabeth Diamond Stakes. But he heads that Gilbey table with 240 points. Dickens Hill — thrashed by Troy in both the English and Irish Derbys — shares second place on 220 points with that Dual Classic winner.

Still on the subject of the top performers, Sussex Stakes winner Kris had 2000 Guineas hero Tap on Wood are scheduled to clash in the Waterford Crystal Mile, which has been transferred from Goodwood to Ascot.

reads his personal choice of poetry.

All IBA Regions as London except at the following times—

ANGLIA
10.30 am Spiderman, 11.00 Chopper Squad, 11.60 Cartoon Time, 1.25 pm Anglia News, 2.00 Houseparty, 4.20

ATV
10.30 am Spiderman, 10.50 Gardening, 11.00 The Paper Chase, 11.30 Project UFO, 8.00 Today, 7.30 The Paper Chase, 8.00 Today, 11.30 Roger Whitaker in Concert.

BORDER
10.35 am The Good Word followed by North East News Headlines, 11.30 Morning News, 12.00 News, 1.20 pm North East News and Lookround, 4.20 News, 4.50 News, 5.00 Northern Live, 5.30 News, 6.00 Northern Live, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News, 12.30 News, 1.00 News, 1.30 News, 2.00 News, 2.30 News, 3.00 News, 3.30 News, 4.00 News, 4.30 News, 5.00 News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News, 12.30 News, 1.00 News, 1.30 News, 2.00 News, 2.30 News, 3.00 News, 3.30 News, 4.00 News, 4.30 News, 5.00 News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News, 12.30 News, 1.00 News, 1.30 News, 2.00 News, 2.30 News, 3.00 News, 3.30 News, 4.00 News, 4.30 News, 5.00 News, 5.30 News, 6.00 News, 6.30 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The Other Place, Stratford-upon-Avon

Baal by MICHAEL COVENEY

Brecht's first play, produced with Oscar Homolka in the lead in 1922, has had two previous British productions...

room and music hall stand in relief against the projected scenic images of forest, stars and comets...

achieve satyry. He delivers the poetry extraordinarily well, finding rhythm and meaning in the brutally harsh verses...



Record Review

Rameau: La Danse. Jill Gomez, Anne-Marie Rodde, Jean-Claude Oriac / Monteverdi Choir and Orchestra/John Eliot Gardiner. Erato STU 71893

The three entrées of Les Fêtes d'Hébé, Rameau's opéra-ballet of 1722, are 'La Poesie', 'La Musique' and 'La Danse'...

Choirs, rituals and seasons

by MAX LOPPERT

the greatest composers of the 18th century. After the 1974 concert performance, Ronald Crichton wrote eloquently in these columns about 'La Danse'...

phrasing are not the only path to Rameau, and more than once one misses in the conductor an appreciation of the Chardin-like robustness that roots all the brilliant invention to earth...

introduction to autumn strides forward with bracing firmness of step: winter's chills, spring rain, summer heat and storms, and the life-giving sounds of birds, bees, lambs, dogs and running water...

But on the whole it is a reading of strong character. No waot of robustness here: the delight all its own.

LPO claims Festival Hall success

The London Philharmonic Orchestra launched its 1979-80 season yesterday, its first season under Sir Georg Solti as Principal Conductor and Artistic Director...

High Fidelity (GB) is supporting the orchestra's appearances at Glyndebourne, of which there will be 64 in all.

Besides Sir Georg's appearances with the orchestra it will be conducted in concerts and recordings by three principal guest conductors—Bernard Haitink, Klaus Tennstedt and Mstislav Rostropovich...

Commercial Union Assurance is discussing participation in UK and overseas tours. Pioneer

Commercial Union Assurance is discussing participation in UK and overseas tours. Pioneer

I due Foscari in Buenos Aires

by ANDREW PORTER

In operatic history, the Teatro Colón is a place of legend; prominent in annals and autobiographies. Its own annals (the history of the theatre is published in three large volumes) reveal a roster of works and of casts perhaps unmatched except by those of the Metropolitan...

is common that the Colón simply assembles casts for a brief season, let me start with some figures. The season runs from May to September. Fourteen operas are being done, most of them five times; 11 are new productions. There are 20 symphony concerts billed, and 23 ballet nights. The theatre has a full-time staff of 961, and takes on 300 more at high season. There are two full orchestras; one, 110-strong, plays the concerts and for the ballet, the other, 110-strong, for the operas. The chorus numbers 105 and the ballet 85. The huge workshops and storerooms, perhaps the most extensive in the world, are modern and are sunk out of sight beside the historic building, but (unlike so many American shops) they have access to the natural light, being tiered around sunken gardens and courtyards. The subsidy, which comes from the city, is this year about \$12m. About 20 per cent of the budget is recouped by the box office. The Colón Fundación (the "Friends"), provides extra funds for special purposes such as meeting Baryshnikov's or Birgit Nilsson's fees.

usually given. But there are a very happy example of that high-scale picturesque realism—a stollia of gondolies gliding about on the depths of the high stage—sudden seen today. It's what Verdi researched.

John Ireland's birthday was celebrated on Monday at the Proms, and all this week there is a centenary festival of his music at the Wigmore Hall. It will end on Friday with the finals of a new competition, for which six singers and four pianists have already been selected from a large entry of 77.

inveictive and English pastoral sit uneasily side by side. The lack of integration in the work is not due to its alternate dramatic soprano, with broad, high cheekbones, his bright eyes, and a strong frame. Her manner is traditional, not yet individual. There were no faults of taste. She is promising. She was warmly received, and deservedly so. Francesco was Renato Bruson. I praised him in the role in these pages 11 years ago, from Naples, and since then, as the world needs no telling, he has come to the front rank of Verdi baritones.

his playing removed some of the work's magic, though the logic was powerfully sustained and every technical demand was met. The concert's ingenious plan was to place Ireland alongside Britten, one of his pupils, and Stanford, his teacher. This involved resurrecting (not to say resuscitating) Stanford's Second Cello Sonata, which falls so heavily under the shadow of Brahms as to be more or less invisible.

change of soloist on South Bank. Jessye Norman has had to withdraw from South Bank Summer Music owing to a family bereavement. The recital tonight will now be given by Ely Ameling with Dalton Baldwin in a programme of Mozart, Ravel, Poulenc, and Schubert. Elizabeth Harwood will be the soprano soloist in Faure's Requiem on Saturday. Both events will take place in the Queen Elizabeth Hall.

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Wigmore Hall

Ireland

by NICHOLAS KENYON

Paris will offer a great deal to attract dance lovers from September onwards. In addition to the standard Opéra performances, the XVII International Dance Festival at the Théâtre des Champs Elysées will feature the following companies: Paul Taylor, from November 12-13 (no performance November 16); Lucinda Childs, on November 20, 21; with music by Philip Glass and design by Sol Lewitt; The National Ballet of Cuba, with Alicia Alonso from November 22 to 25; The Elton Feld Ballet, from November 27 to December 2; and the Stuttgart Ballet, from December 3 to 9 (no performance December 5) with performances of John Neumeier's Lady of the Camellias.

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UK ECONOMIC INDICATORS

FACTORY ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

Table with 7 columns: Year, Prod. output, Eng. order, Retail vol., Retail value, Uoemp., Vacs. Rows for 1978 and 1979 quarterly data.

OUTPUT—By market sector; consumer goods, investment goods, intermediates goods (materials and fuels), engineering output, metal products, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

Table with 7 columns: Year, Consumer goods, Invest. goods, Intmd. goods, Eng. output, Metal mfg., Textile, Housg. starts. Rows for 1978 and 1979 quarterly data.

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance (£m); terms of trade (1975=100); exchange reserves.

Table with 7 columns: Year, Export volume, Import volume, Visible balance, Current balance, Oil balance, Terms trade. Rows for 1978 and 1979 quarterly data.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, net credit; all seasonally adjusted. Minimum lending rate (end period).

Table with 7 columns: Year, M1, M3, Bank advances, DCE, BS, HP, Net credit, MLR. Rows for 1978 and 1979 quarterly data.

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1962=100); trade weighted value of sterling (Dec. 1971=100).

Table with 7 columns: Year, Earnings, Basic mfg., Wholesale, RPI, Foods, FT commodity, Strig. Rows for 1978 and 1979 quarterly data.

FINANCIAL TIMES

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Thursday August 16 1979

The crisis at Chrysler

THE AMERICANS are fond of lecturing other governments, especially in Europe, about the evils of propping up loss-making enterprises in order to preserve employment. Such intervention, the Americans have consistently argued, prevents the transfer of resources from inefficient to efficient sectors of the economy, distorts the world trading system and is a way of exporting unemployment to competing nations.

The Americans are right to be critical. The argument is entirely valid. Yet the Carter Administration is now apparently entertaining the possibility of using taxpayers' funds to prevent the bankruptcy of a major industrial enterprise, Chrysler Corporation. This company has got itself into a financial crisis through bad management, aggravated by the recession in car sales and the cost of complying with Federal fuel-saving and anti-pollution regulations.

It has told Washington that it needs \$1bn in the form of tax credits and there have been the predictable warnings of the social and economic calamities which would ensue if bankruptcy took place. To make the picture even more familiar to European observers, the United States Workers' Union has said there should be a government equity in the company in return for financial help.

The first reactions to Chrysler's appeal have been surprisingly positive; the prospect of a large industrial bankruptcy in the period leading up to a Presidential election is viewed with understandable concern by Mr. Carter's advisers. Yet a decision to intervene would set a very bad precedent. Unlike Lockheed, which received Federal loan guarantees during its time of crisis in the early 1970s, Chrysler is not the leading defence contractor with an obvious strategic importance to the country. It is simply a company which has failed in the competitive race.

Retrenchment

Perhaps Chrysler's biggest mistake was to have regarded itself as one of the "Big Three" and thus obliged to ape General Motors and Ford in product range and in international spread, rather than as one of the "Little Two." The smallest U.S. car manufacturer, American Motors, appears to have come to terms, after a series of

narrow escapes from extinction, with its diminished role in the industry. While running down its domestic car production, it has diversified successfully into cross-country vehicles (the Jeep) and there are potential marketing advantages in the alliance with Renault.

It is this kind of retrenchment which is evidently needed at Chrysler; it has, of course, already shed many of its international investments. The question is whether, with the aid of its bankers, the company can stay afloat while the readjustment is taking place, at a time of falling sales for the industry as a whole. But would bankruptcy be such a disastrous alternative? A good many of Chrysler's facilities might be acquired and kept going by European or Japanese companies which seem eager to follow Volkswagen's example in establishing a production base in the U.S.

Lame ducks

The international repercussions of a Chrysler rescue should not be underestimated by the Administration. The world motor industry is facing a difficult period over the next few years and it is arguable that capacity is excessive. If the Americans follow the lead of the British and other European governments in preventing competition from taking its course, this will greatly increase the chances of the motor industry joining the ranks of steel, shipbuilding, and other lame-duck industries. If the U.S. is prepared to bend the rules to support its third largest car manufacturer, foreign governments will feel even less compunction about halting out companies in other sectors.

It is true that the Americans' commitment to unadulterated free enterprise is not as complete as their public posture sometimes suggests. A variety of protectionist devices has been used to shield inefficient industries and there are mechanisms through which Federal funds can be used to help companies in difficulty. But assistance for Chrysler would take the Administration into new territory: its symbolic importance would be very great and it would open the way for other companies to claim the same treatment. If no other argument convinces him, President Carter should look at the consequences of similar intervention in Europe.

Finance for development

BANKERS wishing to put their international loan portfolios into perspective will find the latest World Development Report from the World Bank an appetiser to the annual report due from the International Monetary Fund in the autumn.

In its assessment of the indebtedness of the developing countries the bank's basic tone is soothing. This matches the bulk of informed comment on this subject which has followed the most recent surge in oil prices; but for rather different reasons.

The World Bank's report is detached. It is based on figures which can politely be described as mature and its gaze is cast out as far as 1990. The immediate impact on third world indebtedness of the second oil shock is barely referred to, because the Bank's projections pre-date the OPEC price rise in July. Yet it was this rise which sent the economists at the international banks running back to their computers.

Debt level

The World Bank's basic message for bankers is that, despite a rapid rise in the course of this decade, the level of debt faced (at the end of 1977) by the various categories of developing countries was "not unacceptably high."

It points out that though the indebtedness of developing countries increased at an annual rate of 21 per cent between 1973 and 1977, this was a lower rate than in the four years leading up to 1973. It adds that the vast majority (94 per cent) of developing country debt owing to private creditors is owed by "middle income" developing countries—and one-half by just seven countries (Algeria, Argentina, Brazil, Indonesia, Mexico, Spain and Yugoslavia). By and large the World Bank regards their debt service ratios as acceptable.

developing country repayment, re-negotiation or re-scheduling of debt in the next few years.

Seventy per cent of all private debt to the developing countries outstanding at the end of 1977 is due to be repaid before the end of 1982. In contrast only one quarter of the official debt from agencies like the World Bank—needs to be repaid before that time.

This is one reason why the immediate, though quite probably transitory, impact of the oil price rise on the less-developed countries is a justifiable source of concern. Although the net indebtedness of such countries to international banks may grow at a more modest pace from now on, it is clear that an extensive amount of rolling over of loans has already started and must now continue. For instance, the World Bank estimates that principal repayments by these middle income countries will be due at a rate of \$115bn per year in 1985, up from \$20bn in 1976.

This bunching of debt repayments, whether for the individual borrower or for the developing world as a whole, makes bank finance more fragile. The individual country is more vulnerable to a sudden economic shock, like a rise in the oil price, if a large part of its debt is due for imminent renegotiation. The banking market in toto is more likely to be shaken by a Herstatt-style crisis of confidence.

Bond markets

The antiotics include increased aid from the industrialised countries and greater use of the long maturity bond markets by the developing countries; both of these are urged by the World Bank. There may also be a need for sources of official finance to bridge the gap between the short-term facilities offered by the IMF and the long-term project financing available from the World Bank.

But experience suggests that these more structured forms of finance will only be tapped if the international banking system—from the regulatory authorities downwards—moves gradually towards more self-restraint in the provision of floating-rate bank loans.

How exchange rates are being brought to heel

BY DAVID MARSH

WHEN a prominent member of Dr. West German Bundesbank remarked in private conversation earlier this summer that almost two-thirds of Germany's foreign trade was now being carried out at semi-fixed exchange rates, he was not indulging in a piece of central bankers' hyperbole. As a result of the concerted dollar defence measures of last November by the U.S., Germany, Japan and Switzerland, and the setting up of this year of the European Monetary System, a new regime of controlled floating of exchange rates has been installed on the post-Bretton Woods monetary scene.

The switch by leading governments to a policy of maintaining relative currency stability, backed by record intervention from the central banks, has brought relative calm to a foreign exchange market which only last year seemed hopelessly out of control. So far, 1979 has been one of the most stable periods for world currencies since generalised floating started with the final collapse of any attempt to run a fixed parity system in March, 1973.

Persistently large differences in inflation rates among the major countries, aggravated by this year's oil price rises, place clear limits on the degree to which currency stability can be restored. But there are several reasons for believing that at least the exaggerated fluctuations of exchange rates which have characterised the past few years will not be repeated.

First, the intervention agreements of November 1—unlike, for instance, the 1975 Rambouillet accord on "countering disorderly conditions" on the exchange markets—have actually been put into effect by all parties on a concerted basis. Gross foreign exchange intervention by the most important central banks has been of the order of \$100bn since last November (significantly enough, the net figure has been far smaller—much of the intervention has been reversed).

A major part has been played by the U.S., which has dramatically increased its ability to accumulate, for the first time, large stocks of foreign currencies in its reserves. The world has thus been launched on the path towards a multiple currency reserve system, in which other currencies—primarily the Deutsche Mark—take over part of the dollar's international monetary role.

Second, countries have shown a new-found willingness to back up intervention with more fundamental policies—beyond correcting the underlying reasons for exchange rate instability. The U.S. Federal

reserve's willingness to maintain and even raise interest rates, despite the onset of recession, as part of a commitment to dampen inflation, is an example of an entirely new collaboration in monetary policy between Washington and Frankfurt. Co-ordinated interest rate policies among EMS members, again anchored on a commitment to reduce inflation, provide the main reason why the scheme in its first five months of operation has behaved remarkably like the zone of currency stability it was set up to be.

Dr. Otmär Emminger, the Bundesbank president, has even spoken somewhat ruefully of other countries carrying out "competitive revaluations" to ward off imported inflation. Germany's currency stability has benefited considerably from the appreciation of the D-Mark over the past two years, in danger of being beaten at its own game.

Deficits and surplus

Third, the acute balance-of-payments disequilibrium among industrialised countries which has been the principal motor of exchange rate turbulence is showing signs of dying away. Germany and Japan are expected to run current account deficits next year, the first time this has happened to both of them at once since 1964. The change is due to a variety of reasons: the oil price rise, the two countries' domestic recoveries and the delayed effects on competitiveness of the 1977-78 D-Mark and yen appreciations.

At the same time, according to some calculations doing the rounds of the central banks, the U.S. may be moving back to quite a strong surplus next year. If this pattern really does come about, the foreign exchange market will have to re-appraise fundamentally which currencies it regards as "strong" and "weak."

The moves since the end of last year to set up formal or informal arrangements to constrain currencies within "bands of stability" have resulted primarily from growing disillusionment with the working of the floating rate system. At times over the past six years, it has appeared, as Mr. Gordon Richardson, the governor of the Bank of England, has said, that the fact that rates are free to move is sufficient guarantee that they will do so.

Central banks' efforts—often rather badly re-organised to smooth out fluctuations have led to a start of another race—the 12,000 mile "staggered start" Parmelia to Western Australia. The rescue operations going on this week have cast a cloud over the longer race: several of the Parmelia favourites had entered the Fastnet as a warm-up.

One of these, the Siska, got back to Plymouth with the broken Endeavour put into Coed, the whereabouts of a third was still unknown yesterday: that is an ocean racer, named the Parmelia, and skippered by Western Australian Bob Williams.

There are 30 entrants for the race to Perth. The biggest of them are scheduled to set off at the end of this month. Next Monday, a celebration is to be held on Plymouth Hoe, sponsored by Amax, the mining group which has big interests in Western Australia. I put it yesterday to Arthur Reef, senior vice-president of Amax, that the mood in Plymouth might be unsuitable for a celebration. "Fastnet will be a cloud over the yachting fraternity for some time to come," he agreed. "But our event is primarily for the 150th anniversary of the founding of Western Australia."

Dignitaries from Western Australia and the West of England will assemble on the Hoe for dinner in a marquee. The band of the Royal Marines will play in the background. By then, the organisers clearly hope, yachting enthusiasts will be able to look forward to the Parmelia, rather than back to this week's tragedy.

Art on a handful of rice

Behind a warning notice by the Fine Art Trade Guild in its latest official journal lies the story of a booming sweatshop industry in Hong Kong. The notice threatens members with expulsion if they deal in "paintings or prints where copyright is infringed, whether these are cheap importations or imitations of British origin."

The Guild is trying to shut the door against copied paintings done in Hong Kong "factories" by Chinese artists, who often sign their output with imaginary western names. Scenes of the English countryside are being re-created in Far Eastern tenements, directly plagiarising colour reproductions exported by British firms.

The paintings are being offered to British art companies for as little as £1.50 a time, bigger ones cost up to £15. "Some unscrupulous galleries have been selling these products at high prices," says David Roe, managing director of Felix Resenskiel and Son, the London-based trade suppliers. Roe tells me that potted biographies are invented for the painters whose "names" are on the paintings, including cities around the world where he is claimed to have exhibited. "The quality is often not bad," admits Roe. "At first the Hong Kong exporters concentrated upon America, which was an easy market to penetrate. Now a fair amount of stuff is coming here."

The planned oasis of exchange rate stability, the European "snake" mechanism, which latterly linked only Germany, the Benelux countries and Denmark, became the subject of persistently violent strains. These aggravated erratic shifts of capital into the Deutsche Mark, recreating the external constraints on monetary control from which the Bundesbank thought it had escaped in 1973.

And finally there has been disappointment that the sharp appreciations and depreciations since 1973 have not in the past made a more effective contribution to the adjustment of payments imbalances in the industrialised world. Indeed, with the short-run inflation and current account performance of strong currency countries actually seen to be benefiting from the effects of exchange rate appreciation, last year's dollar crisis had a self-perpetuating quality about it—until the U.S. was finally won over from its post-1973 philosophy of letting the markets look after the dollar.

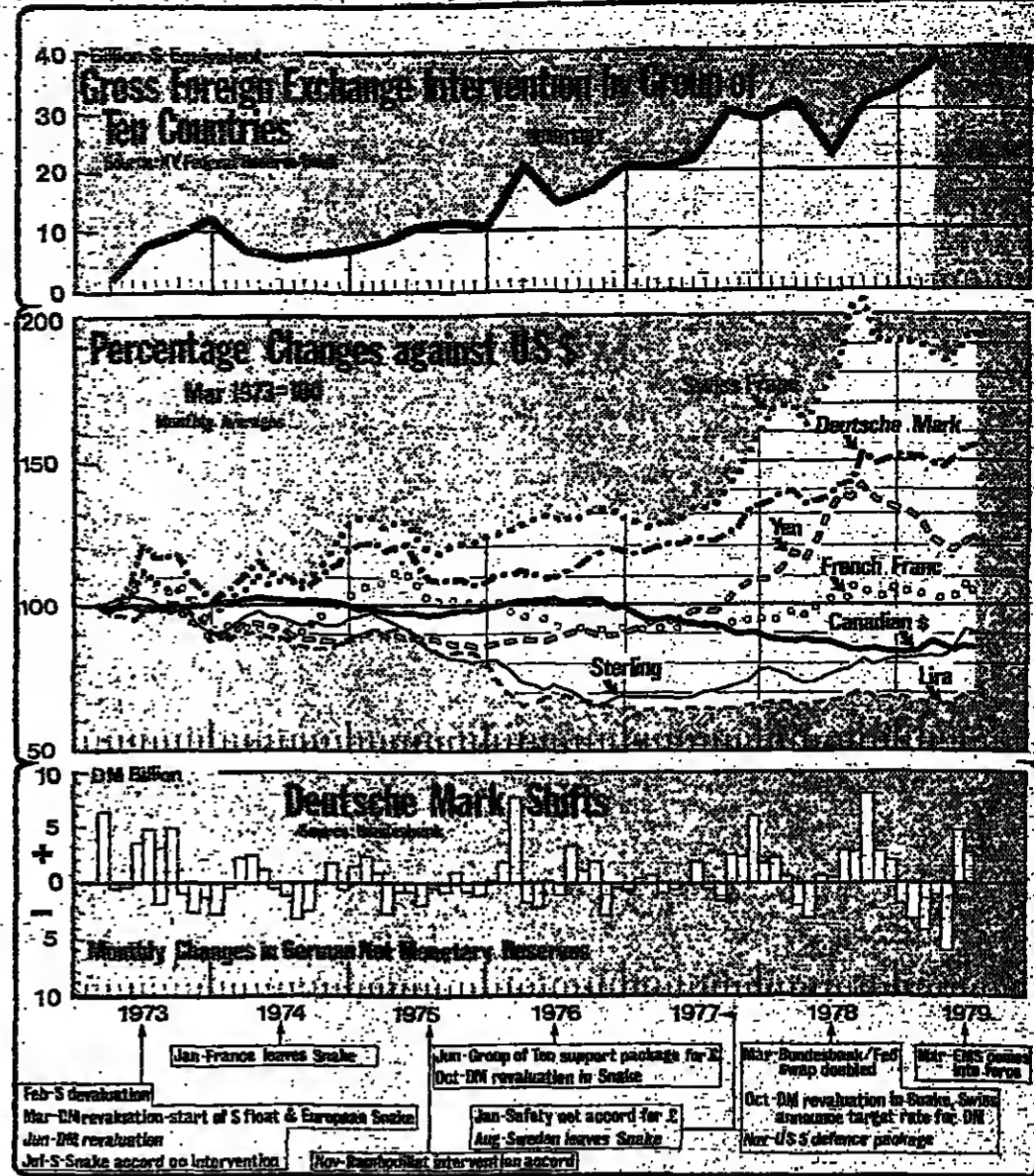
The desire for more stability has not, however, lured the monetary authorities into the trap of trying to peg currencies for indefinite periods. The overall aim remains the classic one of all-intervention understandings reached since 1973—to spread adjustments of exchange rates to differing rates of inflation evenly over time.

Within the EMS, one of the basic principles insisted on by Germany and explicitly accepted by all members (though not yet put to the test) is that parity should be changed when they appear to have become "unrealistic."

U.S. and German officials are at pains to stress the adjustability of the de facto target zone of DM 1.80-1.90 to which the Bundesbank and Fed have constrained the dollar for most of this year by dint of massive intervention on both sides. And a similar point is made by the Swiss National Bank about the Swiss franc target rate against the D-Mark.

But there has been a significant change from the principles of Rambouillet which limited central bank operations to nothing more than "smoothing" intervention. Under the November 1 agreement, the U.S. and the other countries intervened explicitly to correct what they viewed as an excessive decline of the dollar. This introduced for the first time since the collapse of the fixed rate era the concept that the central banks should at least try to take a view of where they think exchange rates should be.

This informal collaborative approach has been described by Mr. Paul Volcker, the new chairman of the U.S. Federal



Reserve, as "a clearer understanding of a few leading nations among themselves about what extremes of fluctuations are mutually tolerable, and which should be strongly resisted."

The new firmness has come through very strongly in the handling by the U.S. and German central banks of the dollar/mark rate since last autumn. Between mid-October and end December, the Fed and Bundesbank supported the dollar to the tune of about \$8bn to stabilise it, after November 1, well above the DM 1.80 level; during the period January-May, they sold about the same amount as the currency started its rise to above DM 1.90; and since the relapse in mid-June they have bought at least \$4.5bn.

The dollar's mid-summer fall was in large measure a correction from a position which both central banks regarded as overvalued. But there has been a strong resolve to prevent the dollar falling beneath DM 1.80.

Similar, though smaller, purchases and sales of dollars have been made by the Japanese and Swiss central banks during the dollar's phases of strength and weakness since last autumn. Central banks, indeed, can point to some indications that these operations have led to a kind of equilibrium. Thus the overall fall in currency reserves of Germany, Japan, and Switzerland this year has cancelled out a large part of the accruals resulting from their dollar support intervention.

Of course, the compartmentalisation of the world into tightly controlled exchange zones is still far from complete. The New York Fed's co-ordination with the Bank of Japan is looser than that with the Bundesbank—partly explaining why the yen/dollar rate has been relatively volatile.

And sterling, the gyrations of which this year have made it the maverick of the foreign exchange market, is still outside any of the collaborative foreign exchange frameworks that have been set up.

Adaptation of interest rates to external constraints is part of the "rules of the game" of the EMS—to which Britain must adhere should it decide to become a full member in November. The willingness—although somewhat grudging on the part of Belgium—of EMS members to hoist interest rates this year in response to the Bundesbank's tighter monetary policy has protected the system from major strains so far.

Although intervention has been needed to keep the Belgian, Dutch and Danish currencies within their limits against the D-Mark, it has been fairly moderate.

Inflation factor

The setting up of the EMS, and the exchange rate understandings with the U.S., have also brought important obligations for Germany. Above all, it can now no longer react so strongly to the increase in inflation which is the almost inevitable consequence of a semi-fixed exchange rate relationship with its major trading partners.

Bundesbank officials now admit it is impossible for Germany to both enjoy relative exchange rate stability vis-à-vis its higher-inflation trading partners and at the same time avoid importing a higher rate of price rises.

With inflation now heading for 5 to 6 per cent in coming months (due, in large measure, to the spurt in import prices this year), the two increases in

German discount rate to 5 per cent this year do not seem an immoderate over-reaction. But any further tightening would almost certainly rock the boat with the U.S. and the rest of the EMS.

There is a similar need for give-and-take in a further more fundamental area—the role of the D-Mark in the international stabilisation of currencies. The November decision for the U.S. to build up its foreign currency reserves gave an important boost to the D-Mark's reserve currency importance.

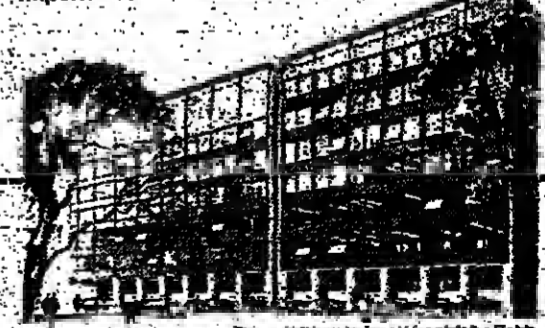
Before November, the U.S. had practically no foreign exchange reserves. Intervention could only be carried out to the extent that the New York Fed drew on short-term swap credits with other central banks. Now that the U.S. has, however, made long-term borrowings in foreign currencies of about \$6.4bn equivalent, its foreign exchange reserves have become important.

Faced with the realities of November 3—and with the fact of continuing reserve diversification by central banks all round the world—it is idle for Germany to go on pretending that the D-Mark is not an important reserve currency. But this is still at least the official line.

Some observers believe that Herr Karl Otto Poehl, the present Bundesbank deputy president, who is widely expected to succeed Dr. Emminger at the end of the year, has a rather more open mind on the reserve currency question. A genuine movement towards a multiple currency reserve system, containing the post-Bretton Woods evolution towards more symmetry between the U.S. and other major countries in international monetary arrangements, would then have a greater chance of becoming reality.

FIGHT BACK AGAINST CANCER

It is good to remember that most people live their lives untouched by any form of cancer. But as all too many are aware, cancer is something that casts its shadow far beyond those it directly affects. That is why so many people think it right to help the urgent work of the Imperial Cancer Research Fund.



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One of the ways you can help us NOW

I am sending the sum of £... as a donation to the scientific work of the Imperial Cancer Research Fund. I do not require a receipt (please donate appropriately). As you are sure to know, a donation made by means of a Cheque allows us to reclaim tax paid, thus increasing our resources at no additional cost to the donor. We have up-to-date details of how to make a Cheque arrangement—if you would like them, please post a tick in this box.

The Appeals Secretary, Room 177/20, Imperial Cancer Research Fund, PO Box 128, Lincoln's Inn Fields, London, WC2A 3PX.

Overheard in a Turkish bath: "They got rid of capital punishment only to replace it with Capital Radio."

Observer

مکان من الاصل

A Keynesian approach to development

WORRYING ABOUT the world's poor has been a creditable British tradition since the days of Kipling and the white man's burden; but worry is not the same thing as constructive thought. If it were, those most actively concerned in the richer countries would complain more loudly about, say, British policy on EEC steel policy or the debt burden. Our demands for imports is potentially more helpful than our supply of capital.

When it comes to development, "enlightened" thought is more up to date. Nearly all national and international agencies now give top priority to rural rather than industrial development, because rural poverty is still more abject and persistent than poverty in such readily remarkable sites of despair as Calcutta. Indeed, this is inherently obvious: if it were not so, country people would not voluntarily go on migrating in the millions to the slums of Cairo, Mexico City and the miserable agglomerations of the poor countries. However, the best argument for this new priority for rural aid is not based on charitable thoughts. It is that rural aid is a far more effective way to encourage industrialisation than direct aid to industry.

These two themes—the need for grassroots development, and the fact that the gains from trade are more relevant to the rich than to the poor—are woven into every section of the analysis of world development problems which has been published over the last two years by the World Bank. While the historic World Bank themes of aid and interdependence, and the necessity for population control, are equally persistent, they are not central to the economic argument. The economic analy-

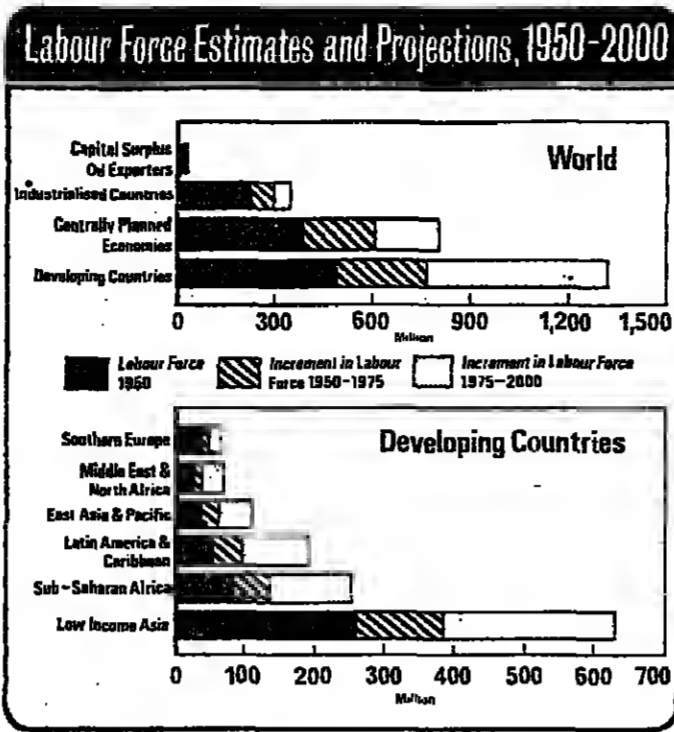
sis itself has been swinging imperceptibly for many years, but it is now clear. It has swung in exactly the opposite direction to arguments about national policy in the rich countries. The World Bank, like a growing number of Third World Governments, is now preaching what amounts to Keynesianism on a world scale—and in some respects rather socialist Keynesianism.

The problems which have driven the bank in this direction are fundamentally similar to those which drove Keynes to question the prevailing wisdom: the failure over a long period of conventional policies to eliminate poverty and unemployment. The conventional hope, general a decade ago, was that policies designed to get poor countries into the world market by any convenient means would generate incomes which would percolate down through the economy. This was essentially a take-off. This has worked admirably in a few countries, but failed for more than half the world's population. The main reason has not been economic—but demographic: populations have grown faster than the employment opportunities which could be generated in this way. However, the problem has provoked new economic thinking.

This problem will get worse for the foreseeable future, as the chart shows. The expected growth of the labour force up to the end of the century is frighteningly huge. For most of this period, these are people who have already survived the hazards of birth in a poor country, so that family planning evolution would have little effect. In the poorest countries especially, the growth is so large that even the most optimistic forecasts of industrial growth, the proportion of the population on the land will tend to rise rather than fall. Rural development is therefore a simple necessity.

However, development experience has shown that it is a necessity for quite a different reason. If something can be done to get rural incomes rising, then this creates a demand for simple industrial goods; and studies have shown that this effect—a good old Keynesian multiplier—is a more powerful influence for growth than any other use of the same money.

Indeed, the World Development Report, as the World Bank now calls its own annual report, points out that the most success-



ful and even spectacular examples of industrial development—Korea, Taiwan, and indeed Japan itself—all started their development process by pouring resources into the farm economy. The growth of a protected home market for industrial goods was the next stage. The transition in an open export economy was the final sign of mature development.

By contrast countries which have neglected the rural economy—the report mentions Egypt, Argentina and Brazil—have suffered persistent poverty problems and/or balance of payments crises. Too much emphasis on industrialisation may simply turn a food exporter

into a food importer, with little net gain.

However, simply making the land productive is only seen as a partial solution. The real need is to do it in an appropriate way—and this is where the socialism comes in. To make the most of available resources, and to spread the benefits, poor countries need small, labour-intensive farms, which also tend to be most productive per acre if adequate water and fertilizer are available. Equally, this is the most effective way to generate the incomes which lead, though demand, to appropriate industrialisation.

The World Bank therefore supports radical schemes of land reform. Its main problem is that it can be almost impossible to persuade sovereign governments to carry out such reforms; vested interests are too strong.

The kind of handiwork operation set out here may be harder in practice than it is in theory. Populations which scratch a bare subsistence from the land cannot readily be transformed into a primitive consumer society. A friend of mine, for example, spent some years demonstrating that cotton could readily be grown in an inland tract of a West African country which was importing cotton from the U.S. The local farmers were interested, but unimpressed, despite offers of cash from an appropriately created state marketing organisation. They would not grow cotton for cash, because the area offered virtually no opportunities to spend cash. However, once the process can be started, rural demand does apparently produce supply very effectively.

The World Bank also argues that the kind of industrialisation which occurs in response to this injection of demand is much more helpful than the

kind which follows a direct attempt to attract capital. The very incentives that attract capital—tax holidays, subsidised interest rates and so on—tend to favour capital at the expense of labour. The fact that "old" development policies, led to capital-intensive plants in countries with perhaps 20 per cent unemployment was as much the result of mistaken financial policies as of any errors due to national pride.

Up to this point, there is nothing in the current World Bank analysis which is incompatible with the kind of drive for self-sufficiency being mounted by such countries as Tanzania, and increasingly preached by the poorer countries in general in UNCTAD and the Group of 77.

Protectionism

Indeed, the new development consensus favours protectionism of a kind; but of a possibly unfamiliar kind. The report argues that protection works best to launch industries which are efficient on a small scale. Protecting industries where economies of scale are important is a losing strategy for a poor country; it may be a very long time indeed before it can attain a sufficient market size to compete, and for all that time it is losing resources through inefficiency. Protection is seen as a help at first but a hindrance later: in a robust self-sustaining economy, open market forces will help to direct resources to their most efficient use.

For fully developed countries, protection is against both national and international interest. The World Bank is in fact far more worried about growing protection in industries ranging from steel to shoes

than about aid budgets. It is here that recession may injure development.

It is therefore seen as the duty of rich countries to concentrate on improving their adaptability, through innovation and labour mobility (that is where housing policies come in) so that they can import the cheap goods available from poorer countries—and thus incidentally help to control inflation. So a Keynesian approach to world growth is fully compatible with a market-discipline approach to the problems of the developed world. This is reminded here not so much of Keynes as of a much older strand of thought which I misquote from Hilaire Belloc:

"Lord Wealthy tried to mend the electric light;
"It struck him dead, and serve him right.
"It is the duty of the wealthy man
"To give employment to the artisan."

This very brief caricature of my own reading of the World Bank reports leaves little space for comment; but the issues do seem worth underlining. Intuitively, the idea that essentially Keynesian notions of relying on demand multipliers to foster growth on a world scale, while abandoning this approach in our own countries, is appealing. Keynes, after all, was essentially arguing for public spending and public deficit when private demand was inadequate. He would hardly have advocated spending this money on subsidies for the rich.

The rich and the poor countries do not live in a single fiscal system so the same mechanisms cannot apply. However, the World Bank analysis does suggest that public borrowing to finance all of an appropriate

kind could be good for growth and help to check inflation, where domestic spending would be self-defeating.

The analysis also lends extra weight to the long-standing argument for a link between development finance and the creation of new world liquidity. This has admittedly become more than a little mildewed, but the chosen alternatives—the creation of SDRs and residual reliance on international banking—have hardly proved a howling success in financing growth without inflation.

Aid will almost certainly be a side-issue, however. Development is assisted by external capital inputs and later by the gains from trade, but these are not essential; if they were, the successful development of our own industrial revolution would have been impossible. Trade with the developed world is in the last resort a highly valuable optional extra.

The real danger from a protectionist response to recession in the rich countries, which the bank underlines, is that if the new development strategies are indeed effective, the developing world will increasingly tend to go it alone. Already the report shows that the newly industrialised countries are finding faster-growing markets for their most sophisticated products in the developing than in the developed world. Already the Group of 77 is seeking ways to create its own internal credit flows and mechanisms. In the long run, it may prove easier to develop markets in poor countries than natural resources in rich ones. Interdependence would then be a threatening word.

Anthony Harris

Letters to the Editor

Commodity centre

From Dr. G. Gemmill

Sir,—Mr. Gordon (August 13) argues that the City should itself raise all of the money required to provide new accommodation for the bureaucrats of the international commodity agreements, since the financial institutions would be the main beneficiaries in the long run. I think that the arguments favour a governmental contribution to the investment. The public benefits exceed the private benefits. The private benefits are widely diffused so that it is difficult and expensive to collect the appropriate private contributions. The commodity organisations are inter-governmental so that our Government has a responsibility in negotiating any question concerning a change in their location.

The public benefits over and above the private benefits are difficult to assess. London houses none of the main UN agencies, unlike Paris, Geneva, Vienna and New York. There would surely be substantial political benefits from housing the newest agency, the UN Common Fund for financing commodity agreements, and London would be a very appropriate location since it is an international finance centre. The argument made by some protagonists, however, that lavish earnings are a public benefit is, in my view, quite mistaken. Unless foreign exchange is rationed or the balance of payments constrains economic growth (as Professor Thirlwall of the University of Kent argues), there is no reason why exports of any kind should be given special encouragement. Are goods which are exported in any way "better" than goods which substitute for imports? The argument (made by Mr. Gordon) that there should be subsidies, because of its invisible, tourist earnings, is similarly weak. There provides great public benefits, but invisible earnings are not one class of them.

The private benefits from retaining the international commodity organisations in London have been outlined by John Edwards (Lombard column, August 8). They include benefits for commodity-traders from better information, for the tourist sector from the spending of "super-tourist" bureaucrats, and for the banking sector from the deposit of the buffer-stock accounts of the organisations (and potentially of the Common Fund). The problem is how to get each potential beneficiary to contribute according to his own gain. The usual solution to this problem of collective action is through a tax, in this case on the City institutions. Barclays Bank obviously takes the different view that voluntary contributions can raise part of the sum required.

Commodity agreements are made between Governments and so it seems logical that Governments should, at least, be involved in discussing the location of their organisations. If the Government wants to attract the Common Fund to London it needs to have a plan in which the Fund and the commodity organisations share joint facilities. That will require a com-

mitment to share in the necessary investment.

Dr. Gorunn Gemmill,
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25, Goswell Road, E.C1.

High speed energy

From Mr. N. Seymour

Sir,—In its advertisement of August 6 British Rail, seeking to convince us that we should invest more resources in the system on the basis of its alleged energy efficiency, uses some curious figures.

The figures are given in terms of "mpg per passenger" for car, aircraft and train. But the 32 mpg for a Cortina obviously relates to the car's miles per gallon while the 76 mpg for a Boeing 747 is for seat-miles per gallon. One can only speculate as to the provenance of 400 mpg for a high speed train. It did not emanate from Dr. A. H. Wickens, BR's own expert on energy in transport. If one takes the figure for an inter-city bus which he published in 1974 plus a figure which he has given me for high speed train and adjusts them using appropriate load factors, one obtains the following passenger-miles-per-gallon results:

Inter-city bus (65 per cent load factor)	367
High speed train (40 per cent load factor)	32
Cortina (15 per cent occupancy)	41
Boeing 747 (60 per cent load factor)	45

On these figures the inter-city bus is four times as energy-efficient as the high speed train, the high speed train is 1.5 times as energy efficient as the car—not 12 times as the ad implied—and the car is 10 per cent more efficient than the plane. I suspect that the man who wrote the advertisement is the one who wrote the ad.

Nigel Seymour,
15, Lonsdale Road,
Wimbledon, SW20.

The role of leasing

From Dr. S. Hodges

Sir,—Mr. S. H. J. A. Knott (August 10) takes issue with the article on leasing by Julian Franks and myself in the recent National Westminster Bank quarterly review. He asserts that the benefit of the tax credit is now split roughly equally between the lessor and the lessee and he appears to claim that this is inconsistent with our view. Not at all. In our article we point out that in the early days of the leasing boom most of the benefits went to lessors, but that sooner or later lessors will be forced to come down to the level of their marginal costs. They still have some way to go: our analysis shows that when it is profitable for a bank to lend at 15 per cent, it can be even more profitable for its leasing subsidiary to lease at a cost to the lessee of some 7 per cent below this.

Mr. Knott is correct in saying that the gap between interest rates and lease rates widened in 1978. I cannot, however, accept his interpretation of the return on capital of the various leas-

ing subsidiaries in 1977 as evidence of benefits passing to lessees. Return on capital is always fraught with difficulties as a measure of performance. For leasing companies (pending the adoption of a satisfactory accounting standard) it is particularly misleading. Profit is very sensitive to the choice of depreciation method. The inclusion of deferred tax in capital employed means that it bears almost no relationship to the actual cash investment. It is quite possible for a leasing company to horrow most of its funds at (say) 14 per cent, earn a return on them equivalent to 20 per cent pre-tax, and still only show an apparent return on capital employed of 5 per cent (or less).

I am at a loss to understand what dangerous advice Mr. Knott fears we might proffer to the Government, or what facility we seek to withdraw. We agree wholeheartedly with him that leasing is vital to a large number of companies not paying mainstream corporation tax. In fact most of our article is about the nature of the financial advantage of leasing to such companies, and how it may be evaluated.

Perhaps Mr. Knott was misled by the curious heading "Manufacturing hit by leasing" (not our words) to Michael Lafferty's review (August 6) of our article. We have no criticisms of leasing per se; but we do point out a problem with the current UK system of investment incentives. The granting of 100 per cent first year allowances is unusual, and it has some odd effects. The amount of investment on which a company can obtain full and immediate investment incentives is restricted to the level of its taxable profits. This puts new companies, and ones that wish to expand rapidly, at a relative disadvantage. Leasing enables such companies, in effect, to purchase investment incentives from a lessor, but in the process some of the benefits go to the lessor and some are lost entirely. The role of leasing is therefore beneficial, but we are led to question whether the best incentive. Perhaps a lower rate of corporation tax and a more orthodox system of accelerated depreciation would be better?

Stewart D. Hodges (Dr.)
(Essex Fairbairn Research Fellow),
London Business School,
Saxse Place,
Regents Park, NW1.

Cracking good crackers

From Mr. H. Foitrie

Sir,—I refer to the article by your critic on August 8. Before and after World War I, in our house there were two kinds of "cracker": the one containing a paper bat, etc., was distinguishable as a "Christmas cracker" or bon-bon; the other was a variety of cracker known as a "cream-cracker" ("cracker" for short).

To vol. 1 of the Shorter Oxford English Dictionary "cracker" is described as "A thin, hard biscuit (chiefly U.S.) 1739. In Chambers' Twentieth Century Dictionary it is "a thin, crisp biscuit (esp. U.S.)."

"Cracknel" appears in the Oxford Dictionary of English Etymology as "a light, crisp Biscuit XV;" and in the Shorter OED as "a light, crisp biscuit,

of a curved or hollowed shape." The cream-cracker, which was always to be had in our family, was neither thin nor hard; but it was "of a curved or hollowed shape," and measured, I suppose, about 1 1/2 inches long, 1 inch wide and 1/2 inch deep. Its shiny but hardly "crisp" surface covered a curiously smooth thence (?) "cream" almost powdery centre, and when a little bit of butter and/or Gorgonzola had been laid to rest in its hollow it was something about which to write home.

My parents were "real live" people whose household—if only because they were financially neither very rich nor very poor—would have been called "middle-class," I believe, though "just an ordinary household" is pleasanter. I am surprised, therefore, that what seems to me just an ordinary usage of the word "cracker" seems strange to your TV Critic.

R. C. Thornton,
St. Anthony's Cottage,
Trevannance Road, St. Agnes,
Cornwall.

Alleviating jet lag

From Mr. R. Thornton

Sir,—I spend a great deal of my time in aeroplanes as I commute between my offices in San Francisco, Hong Kong and London. I was therefore amazed to read Dr. Carrick's article (August 13) which revealed, if nothing else, that the good doctor must have very little experience of travelling himself.

While not arguing with his first three paragraphs where he describes, I am sure accurately, the medical facts associated with the body changing time zones rapidly, his suggested best remedies seem guaranteed to cause a really extended bout of jet lag. Breaking the journey between London and Tokyo can for instance only be done in the Gulf states, India and Hong Kong, or by another route via Moscow, and having tried both routes, I can assure you that the difficulties at the airports, the exposure to disease in India and general dislocation caused by so many stops, far outweigh the problems associated with travelling straight through. I find airport procedures throughout the world today are far more tedious than the business of flying once you get up in the air.

Dr. Carrick failed to mention any of the remedies which I find are of help in alleviating, although not removing, jet lag. A fit man is more likely to travel well than someone who is unfit. The consumption of alcohol, particularly when it is pressed on one ceaselessly in first class, is definitely disadvantageous. On the other hand, the consumption of liquid, preferably just water, is tremendously helpful in countering the problem of dehydration in pressurised aircraft at high altitudes. My own tip for avoiding the worst is to continue fairly normally on arrival at any location on that location's local clock (although avoiding taking any important decisions). Early bed on arrival or sleeping late the next morning, in my view, seems to prolong unduly the effects of the time change.

R. C. Thornton,
Broadham End,
Broadham Green,
Oxted, Surrey.

Today's Events

GENERAL

UK: Negotiators for the Post Office members of the Society of Civil and Public Servants meet PO management on pay proposals.

Shipbuilding unions given details of proposed yard cuts by British Shipbuilders.

First meeting of new Police Negotiating Board.

Dun and Bradstreet publish survey of small businesses.

Third test, England v. India, opens at Headingley.

Southport Flower Show opens tonight August 16.

Overseas: World Bank publishes Development Report in Washington.

Fourth day of President Nicolae Ceausescu of Romania visit to Syria.

Sir Kenneth Cork, Lord Mayor of London, meets Mr. Suzuki, Governor of Tokyo, on last day of Far East tour.

OFFICIAL STATISTICS

Consumers' expenditure (2nd quarter)—second preliminary estimate. UK banks' assets and liabilities and the money stock (mid-July). London dollar and sterling certificates of deposit (mid-July).

COMPANY RESULTS

Final dividends: A. and J. Geller, Louis Newmark, Scottish English and European Textiles, Scottish Investment Trust Co. Interim dividends: Dares Estates, First Scottish American Trust Co. Interim dividend Investment Trust, G. F. Lovell and Co. Royal Dutch Petroleum Company, Royal Insurance Co. Shell Transport and Trading Co. A. G. Stanley Holdings, Bernard Wardle and Co. Woodhouse and Rixon (Holdings). Interim figures: Wold Investment.

COMPANY MEETINGS

Godfrey Davis, Bushey House, Watford, 12. Greene King, The Theatre Royal, Westgate, Bury St. Edmunds, Suffolk, 12. Philip Harris, Penns Hall Hotel, Sutton Coldfield, 12. Robert Moss, Bambery Road, Oxford, 3.30. Scottish and Newcastle Brews., King James Hotel, Edinburgh, 12.

New postal rates from 20th Aug.



1st Class letters up to 60 grams



2nd Class letters up to 60 grams

As from 20th August 1979 there are new postal rates for Inland, Overseas, and H.M. Forces mail. Your local post office has leaflets giving the details.

Inland letters		Inland parcels		Pick up a leaflet at your Post Office	
Not over	1st class	2nd class	Not over	National Rate	
60g	10p	8p	1kg	78p	
100g	14p	11p	2kg	98p	
150g	18p	15p	3kg	120p	
200g	22p	19p	4kg	131p	
250g	27p	21p	5kg	142p	
300g	31p	25p	6kg	153p	
350g	36p	29p	7kg	164p	
400g	40p	33p	8kg	170p	
450g	45p	37p	9kg	176p	
500g	49p	40p	10kg	182p	
750g	79p	60p max.			
1000g	£1				

Each extra 250g or part thereof 22p.

Royal Mail

Unilever reaches £322m after flat second quarter

33% dividend increase by GA

Tube picks up to reach £30m—outlook cautious

IN A period of variable trading second quarter combined pre-tax profits of Unilever, the Anglo-Dutch consumer group, showed a marginal increase from £194.2m to £196.2m. This takes the total for the first half of 1979 up to £321.8m compared with £295m.

Second quarter combined sales went up from £1.49bn to £1.57bn—an increase of 11 per cent on value on the same 1978 period of which 3 per cent arose from higher volume.

The division between Lid and NV in the second quarter was £1.06bn (£1bn) and £1.99bn (£1.48bn) respectively and for the first half total of £3.21bn (£2.75bn) and £3.28bn (£2.82bn) in each case.

The first half pre-tax profit included a contribution down from £32.4m to £24.5m in respect of associated companies. The prior year profit for this fall was a reduction in second quarter results of UAC International caused by difficult trading conditions in Nigeria.

The profit was also struck after heavier interest charges against £23.3m, mainly because of financing costs of the National Starb acquisition.

The profit attributable to ordinary holders in the second quarter came out at £24.2m compared with £23.5m—Lid, £23.5m (£20.1m) and NV, £14.7m (£43.7m)—and earnings per 25p of capital were 22.87p (22.55p).

The first half attributable balance amounted to £143.3m against £129.4m—Lid, £86.3m (£87.5m) and NV, £57m (£51.6m)—and earnings per share to 38.55p (34.51p).

The directors point out that sterling had appreciated against almost all currencies at the end of the second quarter and this caused a significant downward adjustment in the profit attributable to ordinary capital expressed in sterling. In this respect an amount of £7.7m was debited in arriving at the half year attributable balance of which £4.4m accrued to the second quarter.

Comments on trading in the second quarter the directors report that in European domestic markets total results were again above sales of the corresponding quarter of last year, but export sales and earnings fell.

Frozen foods did particularly well but edible fats results were

Company	Page	Company	Page
Alexanders Hldgs.	23	Reliance Knitwear	23
British Aluminium	20	Stanley (A. G.)	20
Carrington Viyella	22	Tube Invs.	20
Cavenham	20	Turner (W. E.)	23
Dale Elec.	24	Unilever	20
Dreamland Elec.	22	Webb (Jusaph)	22
ERR (Hldgs.)	23	Wiggins Construct.	20
Evode Hldgs.	22	Wood (S. W.)	20
General Accident	20	Woolworth (F. W.)	22
LCP Hldgs.	22	York Trailer	23

down due to lower volume and margins. Other foods businesses improved as did the chemicals, packaging and transport groups.

In North America operating profit increased over the second quarter of 1978 mainly because of the inclusion of National Starb. Other results were close to last year's level, while companies in the other overseas countries continued to do well.

After the expiry of dividend control on July 31 Unilever was the first big company to pay a special dividend. Under the dividend sharing arrangement with its Dutch partner the group accumulated a large pool of unpaid dividends during the past seven years. On August 1 it paid out 33.2p per share at a net cost of £62.9m. The group normally announces its interim in November and the final in March.

	1979	1978
Combined sales	5,353	4,777
Lid	2,048	1,853
NV	3,275	2,924
Operating profit	320.8	286.9
Associates	24.5	32.4
Interest	7.7	7.7
Pre-tax profit	327.6	286.0
Taxation	147.5	138.0
Associates tax	12.0	12.2
Exchange debit	7.7	7.7
Attributable ordinary	143.3	129.4
Lid	86.3	87.5
NV	57.0	51.6

On the subject of deferred tax the directors state that the release of provisions under S5AP 48 is dependent on the particular circumstances of each company. In view of Dutch law and the equalisation agreement between Lid and NV the continued adoption of provision for all potential liabilities is necessary for the concern. Therefore the accounts continue to include a full provision for deferred tax. In accordance with this policy

the company has also provided for deferred tax on stock relief in the UK since the introduction of this facility in 1973.

Under the UK Finance Act 1979, the deferred tax on stock relief in respect of the years 1973 and 1974 will no longer be payable, resulting in the release of the provision for these years amounting to £38m.

This exceeds by 27m the amount noted in the 1978 report and accounts because of the UK Government's decision on the treatment of clawback. This £38m has not been included in the results for the second quarter of the half year as this would distort the comparison of results, but it will be included in the published results for the full year.

See Lex

Wiggins climbs to £534,000

AFTER A £20,000 mid-way advance to £161,000 Wiggins Construct, estate developer and contractor, pushed up taxable profits from £435,000 to £534,000 in the year to March 31, 1979. Turnover in the year rose from £19.1m to £22.5m.

The pre-tax figure includes minority profits ahead from £8,000 to £58,000. There was an associated company loss of £1,000, against £9,000.

A final net dividend per 10p share of 1.075p lifts the total from 1.649p to 1.8p. After tax of £249,000 (£197,000) the net profit comes through at £254,000, against £229,000.

General Accident Fire and Life Assurance Corporation has lifted its interim dividend by one-third from 4.125p to 5.5p net. The company is the first insurance company to take advantage of the removal of restrictions on increases and all indications are that the overall total for 1979 could be raised by this amount.

The group reports much improved second quarter figures following the very poor first quarter. There was an underwriting deficit of only £100,000 in the second three months bringing the total underwriting loss to June 30, 1979 to £17.4m against a loss of £5.7m over the first half of 1978. Investment income was 19 per cent higher at £48.5m leading to pre-tax profits being 11 per cent down at £31.8m compared with £35.7m. Attributable profits for the first half of the year were 8.5 per cent lower at £22.5m against £24.6m.

Worldwide general premium income, expressed in sterling terms, advanced by 10 per cent from £370m to £408m. But the underlying growth in premiums, excluding currency movements, amounted to 15 per cent, much of this being real growth in business.

A further small underwriting loss was recorded for the second quarter in the U.S., amounting to £600,000. This brought the loss for the half year to £1.2m—nearly double the loss for the first half of 1978 amounting to £700,000. Premium income was 11 per cent higher at U.S.\$299m. The operating ratio in the second quarter was 99.90 per cent bringing the ratio for the first half to 97.2 per cent (1978 99.63 per cent).

The U.S. automobile account produced a profit for the six-month period, but in the absence of any significant rate increases, the profitability is deteriorating. The property account made a profit in the second quarter but insufficient to offset the weather losses of the first quarter. The liability account had a loss over the period.

GA is the largest motor insurer in the UK with about 10m motorists on its books. The motor account produced a further underwriting loss in the second quarter of about £400,000 despite a 13 per cent premium rate increase on February 1, 1979. Added to the losses of the first quarter—hit by the severe winter weather—the first half showed an overall loss of £5m.

The total UK account produced an underwriting profit of £900,000 in the second quarter thereby reducing the deficit in the first half to £1m compared with a loss of £5m in 1978. The

industrial property account produced a good profit, but losses continued in the houseowners' account despite the group's efforts to combat under-insurance.

Business elsewhere in the world recorded an underwriting loss of £5.3m against a break-even position in 1978. This came entirely from operations in Europe with all four main operating countries, France, Belgium, the Netherlands and the Republic of Ireland, recording losses and the worse situation coming from France. There was a second quarter improvement in Canada and Australia.

Investment income rose in sterling terms by 19 per cent to £48.5m, reflecting the continuing high interest rate levels and the overall growth in funds. The real growth in investment income was 24 per cent. The solvency margin at the half-year stage was 96 per cent.

Mr. David Blair, the chief general manager, states that present indications are that the improvement in underwriting could be maintained during the rest of the year.

The group's life business showed a drop in new annual premiums over the half year from £7.6m to £7.1m. But stable premium business improved from £4.4m to £5.2m. New sums assured were slightly lower at £1.05bn, while new annuities per annum advanced slightly to £13.4m.

comment

The half-yearly figures of General Accident show that the group is back on an even keel after the dismal first quarter figures hit by the severe winter weather both in the UK and U.S. The decline in U.S. results is gentle and much less than that for the insurance industry as a whole in that country. The UK is improving despite problems with the motor account and the recent rate increase of 8 per cent, coming six months after the previous rating, should also this outlook.

Losses in continental Europe should be at a lower level over the rest of the year. Overall it is hoped that the second half will show a break-even on underwriting which, with rising investment income, could leave pre-tax profits unchanged at around £90m. The group is best placed among the composites to take advantage of the dividend relaxation, and has done so by lifting the interim by 33 per cent. A full year increase of this order is anticipated by the market which would give a yield of 3.2 per cent at 226p.

AFTER BEING badly hit by the transport strike, profits of Tube Investments recovered in the second quarter and at the trading level have been almost maintained at £90.5m, compared with £51.6m, for the first half of 1979.

After allowing for a lower associates contribution and heavier interest the pre-tax balance comes out £7.3m lower at £90.5m.

Sir Brian Kellett, chairman, explains that because of the transport strike first quarter profits were substantially lower, but in the second quarter sales recovered and trading profits matched those of the same 1978 period. At the AGM he warned that the shortfall would not be made good by the interim stage.

External sales

	1979	1978
External sales	606.2	546.5
Trading profit	80.5	91.8
Specialised eng'g	11.7	11.7
Profits of associates	1.7	3.3
Net interest	34.9	41.7
Pre-tax profit	131.5	153.3
Specialised eng'g	6.6	10.5
Aluminium	12.0	13.2
Domestic appliances	6.3	2.8
Cycles and toys loss	1.0	2.3
Interest	14.8	15.2
Loan interest payable	4.5	2.5
Profit before tax	30.4	37.9
Taxation	22.2	30.0
Net profit	8.2	7.9
Minorities	17.5	23.0
Earnings	25.7	30.9
Extraordinary items	7.4	—
Dividends	—	—

figures for the six months to June 30, 1979, based on consolidated accounts of the group on the basis of consolidation of British Aluminium and subsidiaries and of associates in 1978.

An analysis of the profit before loan interest, shows that apart from the domestic appliance business—which recorded an increase from £2.8m to £3.3m—all divisions were lower with cycles and toys turning from a profit of £2.3m to a loss of £1m.

At the beginning of June the group raised its primary ingot price from £70 to £75/tonne and semi prices by varying amounts between 8 and 14 per cent. The directors say this was only the second price increase since July, 1977, and inflation has caused a severe squeeze on margins. This increase had no significant effect on the results for the first half but will make an important contribution in the second half.

The trading profit for the half year is £11m lower despite the contributions from the new acquisitions of High Duty Alloys Extrusions and India Tools. Interest costs were up by £0.7m.

DIVIDENDS ANNOUNCED

Company	Current payment	Date	Carry-over	Total of 1979	Total last year
Britannic Assur.	4.5S	Oct 1	4.36	—	10.15
British Aluminium Int.	5.5	—	5	—	12.5
Carrington Viyella	0.7	Nov 9	0.67	—	2.35
Dale Electric	4.13	Oct 5	0.94	5.07	5.87
Dreamland	0.7	Oct 27	0.36	—	1.42
Evode	0.83	Oct 10	0.63	1.6	0.8
Garford Lilley	2.1S	Oct 4	1.81	3.69	3.21
Reliance Knitwear	2.84	Oct 20	2.13	—	6.17
TIG	12.5	Oct 18	10.98	—	23.4
Tube Invests.	0.8	Oct 2	0.4	—	1.4
W. & E. Turner	1.35	Oct 1	0.41	0.56	0.54
Joseph Webb	1.07	Oct 1	0.88	1.9	1.66
Wiggins Construct.	1.35	Oct 5	1.23	—	4.47
F. W. Woolworth	0.55	Oct 4	0.48	0.87	0.78
A. J. Worthington	1.38	Oct 1	1.19	—	2.39
York Trailer	—	—	—	—	—

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡For 18 months.

Sir Brian reports that further productivity benefits were achieved in the domestic appliance division and market share was maintained or improved on a broad front. This combined with buoyant consumer spending, led to substantially higher profits.

On the cycles side demand in the UK was strong but the wide major export business suffered from depressed market conditions in Nigeria, disruption in Iran and the effects of the increased strength of sterling which combined to produce the loss.

Steel tube and steel engineering strong pressure on margins, particularly in export markets for commodity products but was sustained by its more sophisticated products, says the chairman.

The automotive sector in steel tube and steel engineering strong pressure on margins, particularly in export markets for commodity products but was sustained by its more sophisticated products, says the chairman.

Cavenham profit £3m ahead at £35.6m

INCLUDING lower exceptional profits of £2.75m against £4.78m pre-tax profits of Cavenham, food group, finished the March 31 1979 year ahead at £35.5m compared with £32.6m. Sales were up from £1.86bn to £1.89bn.

At halfway, profits, at £14.5m against £16.5m, were said to be not comparable in view of the transfer, in Generale Occidentale the parent company, of the French manufacturing companies, and the acquisition of

Colonial Stores. Sir James Goldsmith, chairman, says the current year is off to a satisfactory start with profits ahead of the same period last year.

The French manufacturing activities transfer, and the sale of the animals foods business in Spain, resulted in a reduction in sales of the industrial division from £246m to £155m with a consequent fall in profits, he points out.

Tax for the year took £9.42m (£8.08m) and the attributable balance emerged at £29.65m (£22.65m). There were exchange debits of £3.13m for the period compared with £8.92m last time. Ordinary dividends will absorb £19.99m (£31.81m).

The company is pursuing its capital investment programme announced in August 1977, of over £200m to be spent over a five year period.

Panel asked to break Stanley-ITC deadlock

The Take-over Panel is to be asked for its advice on a formula to break the deadlock between D-J-Y retailer S. G. Stanley and

ITC Pension Trust. ITC has refused Stanley's offer for his 12 per cent stake in the "A" ordinary non-voting shares in Morris and Blakey, the wallpaper company acquired by Stanley earlier this year.

The impasse has arisen because Stanley has offered for the non-voting shares a price which is 24 per cent less than the offer of 166p for each ordinary voting share of Morris. ITC says the gap is too wide and Stanley refuses to increase the offer, positions confirmed by both sides yesterday.

At present, acceptances of Stanley's offer for the "A" shares fall short of the level at which it can compulsorily acquire the remainder. Stanley needs the acceptances to integrate Morris into the group.

S. W. Wood makes good start to year

The current year has started well at S. W. Wood Group and provided a reasonable degree of industrial stability is achieved, the group looks forward to a further strengthening of its position.

Mr. A. N. Bolsom, the chairman, tells shareholders in his annual review that early returns from deposits and subsidiaries for the first quarter of the year show increases on the corresponding period of 1977-78.

As already known the group achieved a turnaround from a £59,232 loss to a £56,805 profit for the March 31, 1979 year, on a £18.9m (£17.4m) turnover. The dividend is raised to 4.5p (4.25p).

The group's principal activity is the merchanting, processing and smelting of non-ferrous metals. At balance date fixed assets stood at £1.74m (£1.72m) and net current assets were £2.46m (£1.74m).

There was an increase in working capital of £949,757 compared with a £144,551 decrease. Meeting, Winchester House, EC, September 5 at noon.

EDWARD JONES

It is proposed to change the name of Edward Jones (Contractors) to Edward Jones Group which would be a holding company.



Mr. L. C. Mather, Chairman.

Profit tops £20m. £10.5m. added to reserves Major growth in market deposits

Comments from the Chairman:

"The tide has turned and the Group is largely restored to sound financial health and can consolidate further for the future.

"Our encouraging results have been achieved despite the substantial rise in the cost of money during the year.

"We are a diversified group serving many types of customer in widespread fields."

A copy of the Report & Accounts for the year to 30th June 1979 can be obtained from the Secretary, UDT, 51 Eastcheap, London EC3P 3BU.

United Dominions Trust



An authorised bank Financial & industrial services

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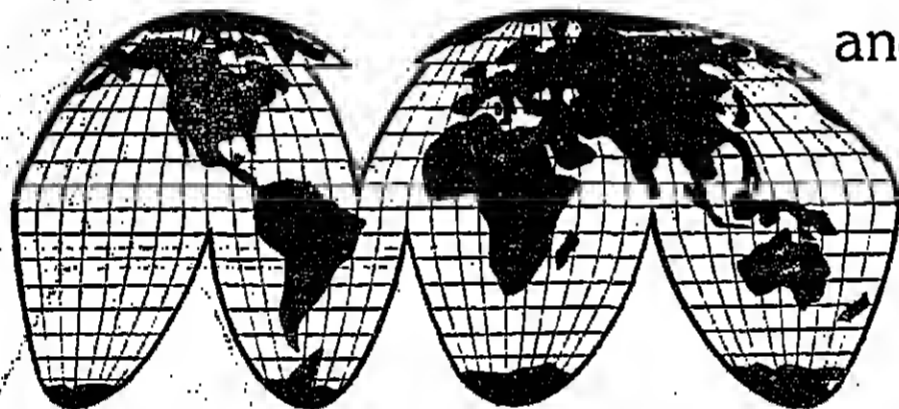
ABN Bank announces the acquisition of LaSalle National Bank in Chicago

ABN Bank, with over \$40 billion in resources worldwide, is committed to the needs of the international market. And the acquisition of LaSalle National Bank in Chicago will help us serve those needs better.

With headquarters in The Netherlands and almost 900 international offices and affiliates in 40 countries, on five continents, Algemene Bank Nederland N.V. brings to LaSalle National Bank and to our international customers the experience, ability, assets, and commitment of a leader in worldwide banking.

And ABN Bank now has ten facilities in seven major American banking centers to assure prompt service to our international customers.

ABN Bank has always been committed to the international market. Our list of major world banking locations makes that clear. But with the acquisition of LaSalle National Bank in Chicago, our commitment to worldwide banking is even stronger.



ABN Bank

Amsterdam
 ABN Bank
 Head Office
 Vijzelstraat 32

Chicago
 LaSalle National Bank
 135 S. LaSalle Street
 335 W. Jackson Boulevard

London
 ABN Bank
 61, Threadneedle Street
 120, Pall Mall

Birmingham
 ABN Bank
 35, Waterloo Street

Manchester
 ABN Bank
 61, King Street

ABN Bank offices and affiliates are located in The Netherlands, Ireland, England, Channel Islands, Belgium, France, Federal Republic of Germany, Switzerland, Gibraltar, Italy, Greece, Turkey, (Holantse Bank-Uni), Lebanon, Saudi Arabia (Albank AlSaudi Alhollandi), United Arab Emirates, Bahrain, Pakistan, India, Malaysia, Singapore, Indonesia, Hong Kong, Japan, Republic of Korea, Australia, Morocco (Algemene Bank Marokko S.A.), Kenya, U.S.A., Canada, Netherlands Antilles, Suriname, Venezuela (Banco Continental S.A.), Panama, Colombia (Corporación Financiera Internacional), and Mexico. ABN Bank operates under the name Banco Holandés Unido in Argentina, Uruguay, Paraguay, Brazil (operates also as Banco Aymoré), and Ecuador.

UK COMPANY NEWS

Carrington Viyella pegs dividend after standstill

TAXABLE profits of Carrington Viyella were at a standstill in the first half after the textile manufacturer was hit by the transport strike and higher interest rates. The dividend rate has been pegged.

The surplus in the six months to June 30 1979 was static at £5.09m on turnover down from £158.1m to £136.7m. At the annual meeting following a year in which pre-tax profits had fallen from £16.1m to £14.5m Mr. L. Regan, the chairman, said he was looking for a first-half improvement.

In the latest half-year figures Consolidated Textile Mills, Canada (CTM) has been included as an associate rather than a subsidiary following a reduction in the group's holding from 61.7 per cent to 49.7 per cent.

The chairman now says that the volume of exports has been maintained but sterling's strength has reduced profits on the export business.

After adjusting for CTM, external sales rose 9.6 per cent at £156.7m including direct exports from the UK up 7.5 per cent at

£21.5m.

The benefits from the acquisition by the Canadian company has exceeded expectations, says Mr. Regan, and the South African company has again increased its contribution.

	1979	1978
External sales	156,707	158,086
Trading profit	7,196	7,686
Associated profits	1,473	133
Interest payable	3,585	2,894
Profit before tax	5,089	5,524
Tax	1,349	1,165
Profit after tax	3,740	4,359
Exchange losses	256	284
Minority interests	—	204
Pre-tax dividend	3,484	4,075
Attributable	3,420	3,225
Cost of dividend	1,271	1,212

But he warns that higher VAT and interest rates and level of inflation with the expected U.S. recession will affect trading. Because of this the Board has decided to maintain the interim dividend at 0.7p net which, after allowing for the tax credit change is equal to last year's 0.658p.

The payment for 1978 was 2.35p, and this year's total will be considered in the light of the results and the outlook for the year-end.

Stated earnings per 25p share before exchange losses are 1.92p (1.93p).

● **comment**

Carrington Viyella's pre-tax profits are unchanged, which seems mildly disappointing given that the comparable period was fairly depressed. Industrial unrest in the early part of the year could have cost the group £1.5m, interest charges are £1m up and the movement in sterling hit into export margins. In addition the carpet side has swung heavily into the red, losing perhaps £1m in the first six months, and the Italian operation, which lost £500,000 last year, shows no sign of improvement.

Against this the U.K. fabric side has been doing well on the back of the consumer boom and the Canadian company has "exceeded expectations." As for the second half Carrington is being suitably cautious and the interim dividend has not been increased. At 24p the shares are supported by a yield of just over 14 per cent.

Woolworth up in first half

PROFITS BEFORE tax of F. W. Woolworth and Co. increased from £12.59m to £16.26m in the six months ended July 31, 1979, on turnover (excluding VAT) of £393.1m against £388.17m.

At the end of the first quarter, pre-tax profits had shown a rise of 35.7 per cent to £7.51m on turnover up 12.9 per cent at £200.66m. The directors said then that projections indicated an increase in annual profit.

They now say that since the start of the new VAT rates there has been a reduction in the turnover increase compared with corresponding figures last year—of which a small effect has fallen within the last quarter.

The reduction of food in the sales mix together with the continued development of clothing and other new merchandise areas has enabled trading profit to show a 37.8 per cent increase over the six months.

Consumer spending has shown some curtailment over recent months due in part to the uncertainties of the economic climate since the Budget, but the Board is expecting an upturn in sales as the year progresses, culminating in good Christmas business.

First half tax charge is £8.51m against £8.7m, giving earnings per share of 2.58p, compared with 2.12p. The interim dividend is lifted from 1.225p to 1.3475p—last year's total was 4.47p from pre-tax profits of £52.61m.

The pre-tax profits are struck after depreciation on fixed assets of £4.99m (£4.12m). Interest paid less received £3.67m (£1.58m), but includes rent income of £715,000 (£643,000), and surplus on property disposals excluding sales and leaseback last time of £397,000.

A deduction for foreign currency differences of £880,000 (£220,000) has been made after the post-tax profit leaving a net profit for the period of £8.78m against £7.8m.

The new accounting policy for tax as stated in the last annual accounts, has been adopted and comparisons are restated.

● **comment**

The pleasing improvement in profit margins brought about by the shift in sales mix away from the competitive foods sector has continued at Woolworth, where second quarter trading profit reached 6.4 per cent of sales against 5.1 per cent in 1978. Inevitably the move out of food has involved some loss of overall sales volume, but it is still disappointing that in a quarter when retail sales volume in the UK was 5 per cent above the previous year, Woolworth's cash sales should only rise by 7.3 per cent.

Much of the consumer boom seems to have passed Woolworth by, and the company is warning that the third quarter will be a difficult one as most everything hangs on the Christmas quarter, which this year will receive a boost from the late October tax rebates. There is still plenty of room for profit growth at Woolworth, but the 94 per cent prospective yield at 77p indicates that progress is expected to be stately rather than spectacular.

Dreamland expands and orders remain buoyant

PRE-TAX profits of Dreamland Group expanded from £254,000 to £425,000 for the first half of 1979 on turnover of £3.87m against £2.49m. And the directors are confident that given the ability of normal trading conditions, the group will achieve record results for the full year.

For the whole of 1978 record profits of £1.15m (£704,000) were reported and further significant advances in sales and profits were envisaged for the current year.

The interim dividend is increased from 0.45p to 0.7p net per 10p share and a minimum 1.5p final is forecast (0.9687p). Earnings are shown as 1.9p (1.02p) per share.

Prospects for the second half of the year are encouraging. Mr. F. R. Williams, chairman, says: "The level of orders for electric over and underblankets in the home and export markets remain buoyant. Although the fire detection systems should show further significant progress."

The improved performance in

the first half should not be interpreted as being directly indicative of the level of future profits in any one period, Mr. Williams states. It also reflects the benefit of the change in the group's trading pattern towards a more even spread in demand for products throughout the year.

	1979	1978
Turnover	3,870	2,490
Profit before tax	425	254
Profit after tax	204	174
Dividend	75	46

Export deliveries during the six months showed a substantial increase over last year and at the end of June the export order book was well in excess of the total for 1978, the chairman says.

Some nine per cent of turnover stemmed from exports, particularly to Europe.

● **comment**

Dreamland's two-thirds profits rise, while impressive, must be seen in the context of a changing trading pattern where sales

are now spread more evenly over the year. In the past the company's marketing was directed towards the "lumpy" demand of the wholesalers but, today, about 80 per cent of the group's sales go to direct retail groups which buy throughout the year. Nevertheless, underlying growth on the electric blankets side is strong, exceeding the national sales increase of roughly 5 per cent per annum. The latest results also reflect continuing penetration into overseas markets, in spite of the strong pound. The heavy investment into Alarm-line—a fire detection system—is still taking time to bear fruit and the company only hopes to break even at the year end. For the future overseas markets probably represent the biggest growth area while home demand should continue to steadily progress. Around £1.4m profit could be possible for the year which puts the shares at 53p on a prospective p/e of 3.3 while the yield is boosted to just over 8 per cent—rating in line with the household goods sector.

J. Webb ahead and confident

AFTER A strong performance during the holidays and entertainment side Joseph Webb and Co. lifted pre-tax profits from £479,595 to £528,453 in the year to March 31, 1979. Turnover was ahead from £3.29m to £3.99m.

An increase was forecast at midway when the taxable surplus had risen slightly from £237,783 to £243,398.

The directors say the level of bookings for the 1979 season is again on the increase and augurs well for an overall rise in group profits for the current year.

They add that they are looking for further acquisitions, particularly of holiday parks and of companies operating in this field. The right kind of site is continually being sought to assist in maintaining the growth of the company's leisure interests.

A final dividend of 0.4306p net raises the total from an adjusted 0.538p to 0.5621p. The group is again proposing a scrip issue—this time of one for eight. Stated earnings per 5p share are up from 1.2p to 2.7p.

Of the turnover figure, £3.96m (£2.79m) relates to the holiday and leisure interests which lifted trading profits from £268,985 to £484,703. This reflects an overall improvement in booking levels and includes the increased capacity from acquisitions.

The property and investment

side increased the surplus from £95,287 to £109,237 which was mainly due to rental reviews on industrial lettings. After further land sales the estate development division turned in a reduced contribution of £187,055, against £292,655.

	1979	1978
Turnover	3,987,762	3,298,175
Trading profit	484,703	268,985
Holidays	109,237	95,287
Property invest.	187,055	292,655
Interest payable	252,492	178,432
Associated profits	89,453	479,595
Tax	3,956	237,230
Net profit	528,453	242,395
Dividends	103,236	83,693

After charging depreciation based on SSAP 12, previous year adjusted.

lifts the total from 0.788p to 0.873p. In February, there was a one-for-one scrip issue and consolidation of 5p shares into 10p shares. Earnings are shown lower at 5.85p (7.75p).

Retained profit came through at £102,341, compared with £141,469.

● **comment**

The directors say the second quarter showed a large improvement on the first quarter and they look forward to further substantial progress in the next six months.

First half tax charge is £319,000 (£157,000) giving earnings per share of 7.9p against 5.57p. The interim dividend is effectively raised from 2.133p to 2.844p and the Board intends to increase the final payment by one-third.

Last year a total dividend equal to 6.1725p was paid. The group trades as an iron founder, engineer and merchant.

Evode making up shortfall

DESPITE a reduction in the overseas deficit, the severe winter and national industrial problems last January left taxable profits of Evode Holdings down, as expected, at £322,311 for the 26 weeks ended March 31, 1979, against £371,844 previously. Turnover rose from £11.65m to £12.95m.

Much of the leeway is being made up and Mr. A. H. Simon, the acting chairman, anticipates that results for the full year will compare not unfavourably with 1978.

For that year pre-tax profits were £1.34m (£1.45m record) on a £26.8m (£23.2m) turnover. The directors then warned of a shortfall in first half results.

	26 weeks	1979	1978
Turnover	12,950	11,650	11,650
UK	1,113,921	1,033,300	1,033,300
Overseas	1,836,389	1,116,228	1,116,228
Profit before tax	322,311	371,844	371,844
UK	249,584	425,624	425,624
Overseas	72,727	146,220	146,220
Associated	3,600	3,900	3,900
Taxation	76,504	154,072	154,072
UK	75,000	152,612	152,612
Overseas	1,504	1,460	1,460
Associated cos.	245,807	177,532	177,532
Dividend	57,543	57,543	57,543
Retained	178,158	256,563	256,563

Having regard to current trading conditions and future prospects, the directors announce an interim dividend of 0.85p (0.3629p) net per 20p share, a

Evode making up shortfall

12.1 per cent increase. Last year's final payment was 0.7964p.

Since March 31 the sale of Breco Industries, its Canadian subsidiary, has been completed. An agreement to dispose of its main interest in Societe Chimique Emf. of France, has been entered into.

Mr. Simon says provisions made in the last annual accounts should be sufficient to cover this transaction.

Results of both companies have been eliminated from the six months figures, and from comparatives.

Evode manufactures adhesives, jointing compounds, etc.

● **comment**

The interim results from Evode are disappointing, but not entirely unexpected. Pre-tax profits are 13.3 per cent lower on turnover which is 11.4 per cent higher. There are several reasons for this, among them the disruption caused by the transport strike and the harsh winter weather. In addition, Evode is tied to the building industry (its main product is adhesives used in construction) and suffered from the inertia of that sector in the first three months of the year. But there are other problems. Ever since the death of the group's founder last September, the Board has been seeking ways

Evode making up shortfall

to streamline Evode, selling off its Canadian subsidiary, and reducing its interests in the loss-making French subsidiary to 10 per cent. Finally, the group has turned down a spate of bid offers, including a 61p per share offer from Donald Macpherson. The shares now stand at 41p and the interim dividend is only increased by 12 per cent. The recent drop in the share price may cause concern among shareholders, as might the recent internal board dispute over the various bids. But the group believes that it can bring pre-tax earnings back to 1978 levels by year-end.

Evode making up shortfall

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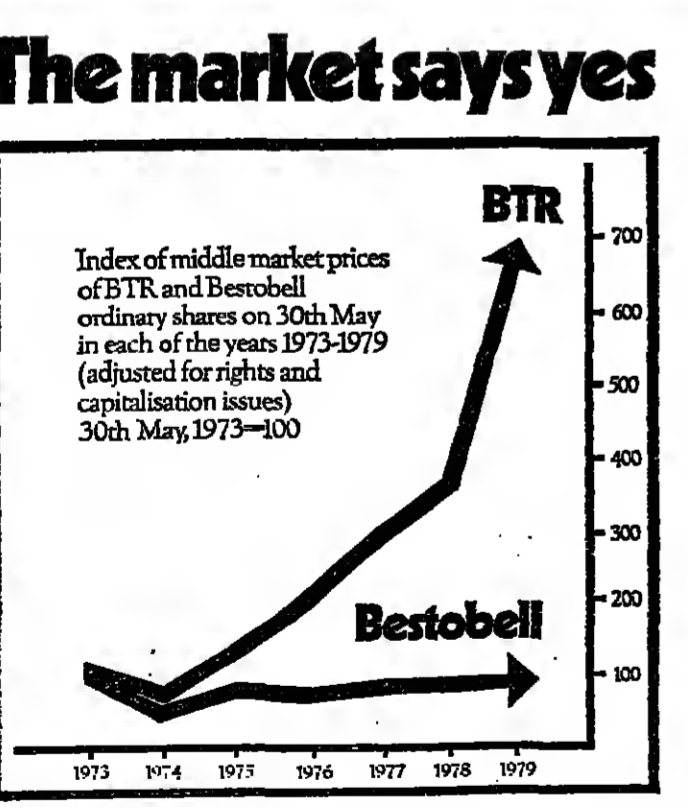
Evode making up shortfall

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A duly authorised committee of the board of BTR has taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate. All the directors of BTR jointly and severally accept responsibility accordingly.

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C. HOWARD WILEMON, Jr., President, Antillon Bank & Trust

Consolidated Statement at 30th June, 1979

ASSETS

Cash and Due from Banks	\$849,969,000
Time Deposits with Banks	695,435,000
Funds Sold	372,705,000
Investment Securities	1,452,830,000
Loans	\$4,543,238,000
Less: Allowance for possible loan losses	45,778,000
Banking Premises and Equipment	122,595,000
Other Assets	416,695,000
Total Assets	\$8,407,691,000

LIABILITIES AND STOCKHOLDER'S EQUITY

Demand Deposits	\$2,314,926,000
Time Deposits	3,020,567,000
Foreign Branch Deposits	974,217,000
Total Deposits	\$6,309,710,000
Funds Purchased	998,785,000
Other Liabilities	587,787,000
8% Debentures due 1985	50,000,000
Total Liabilities	\$7,946,282,000

STOCKHOLDER'S EQUITY

Preferred Stock	\$693,000
Common Stock	50,442,000
Class B Stock	7,107,000
Surplus	140,918,000
Retained Earnings	262,249,000
Total Stockholder's Equity	\$461,409,000

NET INCOME FOR THE FIRST HALF OF 1979 WAS \$39,338,000, AN INCREASE OF 31% OVER 1978.

London Branch, 44 Moorgate EC2R 6AY, Tel: 01-638 8021, Telex 884851.

KEITH O. OLDFIELD, Vice President and General Manager.

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Companies and Markets

York Trailer improving

PROFITS before tax of York Trailer Holdings were down from £861,000 to £803,000 in the six months ended June 30, 1979. At the end of the first quarter a loss of £30,000 was incurred compared with £512,000 profit in the same period last year.

Mr. F. W. Davies, chairman, describes the half year result as dismal but says although exports suffered both as to volume and profit, the overall order position is at a most satisfactory level.

Indications are that all the group's plants and branches will be working to capacity for the balance of the year—the present improving trend should continue the chairman adds.

First half earnings per share are stated as 1.49p against 5.28p and the directors have cut the interim dividend from 1.196p to 1.375p. Last year the total payment was 2.395p on pre-tax profits of £1.15m (£2.74m).

Sales amounted to £17.97m against £16.85m. Tax takes £61,000 (£202,000) leaving net profits at £242,000 compared with £689,000.

The group is a subsidiary of York Transport Equipment which is in turn 75 per cent owned by Northants Investments of Ontario, Canada.

comment: York Trailer's second quarter profits are up by just over a tenth but the group will have to run very hard to stand still this year. The problems of the first three months, which suffered a deficit of £30,000, are well known but while the order book looks sufficient to guarantee full capacity working throughout the rest of 1979, York must cope with the effects of currency exchange losses and, probably more important, the new found pricing edge enjoyed by overseas (notably U.S.) competitors. At the end of May, for example, exports amounted to £2.8m from total sales of £11m. The comparable figures for the same period in

Reliance Knitwear setback

REDUCED margins, strikes and bad weather hit second half profits of Reliance Knitwear, and the taxable surplus fell from £317,370 to £230,589 in the year to April 30, 1979. But the directors say the current year has started well, and first-half results should be good.

At midway, the surplus was lower at £250,000 (£291,000). The directors said that this results in the early months of 1979 would suffer because of reduced turnover, shortage of supplies and high absenteeism. The group was well placed to meet the difficult conditions and they remained confident about long-term growth prospects.

Turnover for the year was £15.67m, against £14.93m. Tax took £143,594 (£111,360)—there was an exceptional tax credit of £343,370 last time.

There is an extraordinary debit of £112,818 (£404,691) arising from final closure costs of Reliance Knit and James Macfarlane (Kilmarnock), and compensation to directors for loss of office.

The net total dividend is raised from 3.51p to 3.689p, with a 2.149p final. Earnings per 20p share are given as 5.88p (11.66p).

Profits include small contributions from Cynat Products and Ultimate Equipment acquired during the year.

MINING NEWS Uranium boom in mid-1980s

BY KENNETH MARSTON, MINING EDITOR

A BULLISH long term view of uranium demand prospects comes from Mr. L. J. Duncan, business manager of Australia's Western Mining which owns 75 per cent of the Yeelirrie uranium venture in Western Australia and is partnered by British Petroleum in the huge Olympic Dam copper-uranium-gold prospect at Roxby Downs in South Australia.

Speaking at a mining industry conference in Perth, Mr. Duncan said that the world would require increasing quantities of Australian uranium from the mid-1980s onward. Without Australian uranium, he added, there would be a significant supply shortfall despite recent discoveries in Canada and elsewhere.

However, he reckoned that until 1985 world production would be likely to meet demand. Indeed, the uranium market has already begun to soften this year after its long advance. Prices for uranium oxide on the spot market have come back from \$47 per lb to around \$42 per lb.

One wonders, in fact whether this cooler short-term outlook for uranium was a factor in the decision, reported yesterday, of Denison Mines, Canada's second largest uranium producer, in bid 11.58525m (£235m) for America's Reserve Oil and Gas. It is a reversal of the normal trend in the hands of utilities and non-utility governments and not have a great influence on the future market.

He considered that uranium demand in the late 1980s through to the 1990s would be strong, supporting the growth in all sectors of the nuclear fuel industry and particularly the growth of that in Australia.

Mr. Duncan thought it logical to consider Australia as a likely place for further processing of uranium in the long term, but he thought that the country should not enter the industry prematurely while there was a world over-capacity. It would seem, however, that there is little danger of such a premature entry if Australia's strong anti-nuclear lobby has anything to do with it.

Northgate has good quarter

CANADA'S Northgate Exploration group whose mining operations are principally in Ireland, Canada and Australia, has had a notably buoyant second quarter. Net income has surged forward to £24,04m (£1.54m), or 59 cents per share, compared with only £2,209,000 in the same period of last year.

Earnings for first half 1979 are brought up to £25.23m, or 77 cents per share, against £25,000, or 8 cents, a year ago. Higher metal prices have been the main reason for the advance, of course, that for lead having risen 156 per cent, silver 76 per cent and zinc 57 per cent.

In addition, production was higher as a result of better overall results in the environmental and metal recoveries. But regular output at the Tough mine in Ireland did not get under way until late February following the settlement at the end of 1978 of the six-month labour dispute.

Northgate warns, however, that current quarter's earnings will fall short of the high levels of the previous three months. This is because of a fall in the planned mill tonnage and ore grades coupled with the prospect of less buoyant metal prices.

Northgate Exploration shares were 10p down at 345p in London yesterday.

ERF warns on engineers dispute

A WARNING of the effects of the engineering dispute, on ERF, Britain's biggest independent producer of heavy lorries, was given by Mr. Peter Foden, the chairman, at the annual meeting.

He said the dispute had cost a 20 per cent production loss, and there was a risk of more to come.

Mr. Foden added that it was giving overseas competitors the opportunity of taking a bigger share of the market. The UK market for heavy trucks remained buoyant, he reported, and ERF's production had increased to a record 16 vehicles a day, a capacity entered by firm orders over the next six months.

Mr. Foden hit out at the "anti-lorry lobby" and said the economic advantages of heavy trucks far outweigh the disadvantages.

The disadvantages have largely been eliminated through modern design resulting in a substantial reduction of noise and pollution with an increase in safety.

He hoped the committee of inquiry into the impact of heavy lorries on the environment recently set up by the Minister of Transport, Norman Fowler, would answer the critics' case and for all.

Mr. Foden pointed out that the ERF had accepted in principle that heavy goods vehicles do have a significant bearing on economic growth, and he hoped

the member states would soon agree on common weight regulations.

He added that increased vehicle weights would help save fuel and cut costs.

Heavier vehicles would significantly reduce fuel consumption simply because there would be fewer vehicles carrying greater loads. There would also be a corresponding reduction in transport costs.

Current vehicle weights are restricted to 32 tons, EEC recommendations would raise this to 38 tons.

Mr. Foden said that during the year ended March 31, 1978 ERF had increased its turnover by 21 per cent to £96.19m. After-tax profits at £3.22m were marginally ahead of £3.1m in 1978.

Vehicle production at the company's new plant at Wrexham was scheduled to begin in early 1981. The new plant would provide valuable expansion space as the limits had been reached at the Sandbach works.

ERF plans to extend its range to meet demand for a quality, medium range truck.

W. Turner advances midterm

TAXABLE PROFITS of W. and E. Turner, multiple retailer of footwear, hosiery and handbags, expanded from £275,281 to £475,053 in the first half of 1979, on increased turnover of £6.61m, against £5.24m.

The net interim dividend is doubled to 0.8p (0.4p)—last year's total was 1.4p, paid from record profits of £3.37m.

Pre-tax profits were struck after depreciation of £145,729 (£128,605).

Alexanders sees strong recovery

Due to the strike at Ford Motor Company the directors of Alexanders Endinids, Ford main dealer, say there was a setback in trading during the six months ended March 31, 1979, but a strong recovery is expected in the second half.

On turnover down from £13.7m to £12.5m pre-tax profits for the period were little changed at £236,000 against a previous £239,000. Profit for the whole of 1977-78 was a record £260,000.

Mr. J. B. T. Loudon, chairman, says that the nine-week strike at Ford had its inevitable effect on profits, but since March the supply of vehicles has improved, and, along with further profits from the sale of property surplus to requirements, will be reflected in the annual accounts.

The company is expanding facilities at its new commercial vehicle premises in Edinburgh where a new dealership, at Fountainbridge, is being planned.

The paint and panel heating business in the Kirkcaldy area has also been extended.

Again there is no interim dividend the policy in recent years has been to make strip issues at the year end.

Profits for the six months included an extraordinary credit of £36,000 (after tax of £25,000) being the surplus on the sale of two properties. Last time the profit included a £179,000 loss on the sale of investment in the Dutch subsidiary, and £43,000 profit (after £71,000 tax) from the sale of the Huddersfield property.

Growth maintained at G. H. Downing

Points from the statement of the Chairman, Mr. D. S. Hartley, for the year to 31st March, 1979.

- * A 12% rise in pre-tax profits to £1,930,000—in spite of difficult conditions.
- * A welcome improvement by the refractories division. Roofing tile exports continue at a high level. The Electrical engineering division had another record year with exports of approximately 23%.
- * A continuing capital expansion programme with agreed spending of £1,250,000 in the current year.

G. H. DOWNING & CO. LIMITED
Manufacturers of Clay Products, Refractories, Roadstone Aggregates, Electrical Power Engineers.
BRAMPTON HILL, NEWCASTLE, STAFFS.

Rio Algom sues TVA

AMERICA'S Tennessee Valley Authority is being sued in the Supreme Court of Ontario by the Rio Tinto-Zinc group's Rio Algom for damages of \$600m (£220m) for breach of contract.

This latest move in the dispute between Rio Algom on the one hand and TVA and Westinghouse Electric Corporation on the other follows the alleged repudiation by TVA of its 1974 agreement to buy 17m lb of uranium oxide from Rio Algom over the years 1979 to 1990.

As a result of the TVA contract and other long-term deals Rio Algom embarked on a major expansion at its Elliot Lake uranium operations which is now virtually completed. Last month, however, Rio Algom announced that it had been informed by TVA that the latter was taking action in the U.S. to void the contract.

Furthermore, it was stated that Westinghouse Electric had obtained a preliminary injunction in the U.S. restraining TVA from making the first payment in Canada of US\$22.7m (£10.2m) to Rio Algom which was due in July for a delivery of 500,000 lb of uranium oxide, the material having been sent to Eldorado Nuclear for refining into uranium hexafluoride for TVA.

The money is required to be paid into an escrow account in the U.S. Rio Algom replied that

BILLITON JOINS TUNGSTEN-MOLYBDENUM MINING VENTURE

BILLITON Exploration Canada has agreed with Brunswick Tin Mines to proceed on a joint venture basis with development of the Mt. Pleasant tungsten-molybdenum property in New Brunswick.

Brunswick Tin is 89 per cent owned by the Sullivan mining group and 11 per cent owned by Mount Pleasant Mines. Billiton is a wholly-owned subsidiary of Billiton, part of the Royal Dutch Shell group.

Billiton will arrange the financing of this \$250m (£30.5m) project and will be appointed as operator, providing project management and technical services.

Unilever results

The Directors of Unilever announce the results for the second quarter of 1979 and for the first half-year.

COMBINED RESULTS (£ millions)			Half-Year		Increase/Decrease
Second Quarter	1978	Increase/Decrease	1979	1978	(Decrease)
2,748	2,486	11%	5,333	4,777	12%
1,055	1,002		2,058	1,953	
1,693	1,478		3,275	2,824	
186.8	179.3	4%	320.9	286.9	12%
1.1	(1.5)		1.1	(1.5)	
12.1	17.5		24.5	32.4	
0.3	0.1		0.5	0.5	
(14.1)	(10.8)		(25.2)	(23.3)	
(17.4)	(11.7)		(34.2)	(23.0)	
3.3	1.1		9.0	(0.3)	
186.2	184.8	1%	321.8	295.0	9%
(83.1)	(84.3)		(147.5)	(136.0)	
(6.0)	(7.8)		(12.0)	(15.2)	
(1.5)	(1.3)		(0.9)	(1.4)	
1.6	—		1.6	(2.2)	
(8.6)	(7.6)		(12.0)	(10.6)	
(7.6)	(8.6)		(10.1)	(8.9)	
(1.0)	(1.0)		(1.9)	(1.9)	
88.6	83.8	6%	151.0	129.4	17%
(4.4)	—		(7.7)	—	
84.2	83.8	—	143.3	129.4	11%
39.5	40.1		68.3	67.8	
44.7	43.7		75.0	61.6	
22.67p	22.56p	—	38.58p	34.84p	11%

Exchange Rates: As has been our practice the results for the quarter and the half-year and the comparative figures for 1978 have been calculated at comparable rates of exchange. These are based on £1=Fl. 3.39=U.S. \$2.03, which were the closing rates at 1978. Total Concern profit attributable to ordinary capital for the current quarter and the half-year has also been recalculated at the rates of exchange current at the end of June 1979 being based on £1=Fl. 4.40=U.S. \$2.17.

Accounting Policies: The release of deferred tax provisions under the new United Kingdom accounting standard SSAP 15 is dependent on the particular circumstances of each company. In view of Dutch law and the Equalisation Agreement between Unilever Limited and Unilever N.V., the continued adoption of provision for all potential liabilities is necessary for the Concern and therefore the accounts continue to include a full provision for deferred taxation.

RESULTS

In the second quarter of 1979 total sales value was 11 per cent higher than in the corresponding quarter of 1978 of which 3 per cent arose from increased volume.

In Europe total results in the domestic markets were again above those of the corresponding quarter of last year but export sales and earnings fell. The frozen foods and ice cream businesses did particularly well. Edible fats results were down owing to lower volume and margins. Other food businesses, including meat products, improved. Chemicals, packaging and transport groups all did better than last year.

In North America operating profit increased over the second quarter of 1978 as a result of the inclusion of National Starch. The other businesses' results were close to last year's level.

Algemene Bank Nederland N.V.

LaSalle National Bank

The undersigned acted as advisor to Algemene Bank Nederland N.V. in this transaction.

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UK COMPANY NEWS

Companies and Markets

Earnings improvement and higher dividend at Dale

ON TURNOVER of £25.11m, Dale Electric International achieved a pre-tax profit of £3.31m for the year to April 30, 1979. For the previous 18 months the figures were £22.61m and £3.43m respectively.

At the interim stage, when a profit jump from £1.1m to £1.91m was reported, the directors said their forward view was guardedly optimistic, although there might be some pressure on margins as international competition tightened.

They now say that margins are indeed reduced and they expect this trend to continue in the current year.

The net final dividend is 4.125p making a total of 5.525p compared with 3.668p for the 18 months.

comment

Pre-tax margins have slipped by two points at Dale Electric but shareholders may still be smiling. Profits are up by almost 30 per cent and the total dividend by 50 per cent on an annualised basis. Dale has weathered a recession in the industry and export market, traumas better than most — Pethow's full year profits were more than halved last year. The explanation lies in its custom-design products,

which account for the majority of sales. Margins on standard alternators, by contrast, were slashed. Even given this insulation, Dale will have to work hard to maintain a stated p/e of over 11 at 134p. Last year's figures were flattered by a £1.3m contribution from Honchin, which compares with £500,000 for six months of the comparable period, order books are down by 26 per cent — reflecting shorter delivery times — and interest charges have more than doubled to around £400,000. The yield of 4.5 per cent is improved but hardly spectacular.

BIDS AND DEALS

Tight finish for Bestobell

Both sides in BTR's £29m struggle to acquire Bestobell produced some late flourishes yesterday, and Friday afternoon's result is likely to be close.

BTR yesterday urged shareholders to accept the increased offer and said the bid, worth £220p for the cash alternative, had a value of 236p under the share exchange offer. This was based on Monday's closing price for BTR of 325p.

Yesterday, BTR's shares closed at 323p, valuing the share offer — 11 BTR shares for 15 of Bestobell — at just below 237p. During the course of the bid, BTR has raised its holding to nearly 30 per cent.

With both protagonists expecting the outcome to be close, much will turn on the attitude of the institutions, who collectively own 55-60 per cent of Bestobell.

Britannic Assurance, the largest holder with 19 per cent, has already said it will stay in the Bestobell camp. Mr. Saady Marshall, chairman of the company, said yesterday that there is no evidence that any major institutions in Bestobell are supporting BTR.

BTR has stressed that its latest offer is final and says it remains confident of the result. There has been a steady flow of acceptances from smaller shareholders and the company says it is hopeful of institutional response.

Mr. Marshall reiterated the BTR terms put too low a value on Bestobell.

HALL BROS. SET FOR LIQUIDATION

Hall Brothers Steamship is taking the road to liquidation after selling off the last of its vessels, the MV White Crest, for £490,000.

The profit over book value of this and the recent £427,000 sale of the MV Bretwalda is a combined £150,000, which Hall says must be weighed against foreign exchange losses of some £180,000 arising on the repayment of the mortgages on these vessels.

The audit that the Hall board would now be recommending voluntary liquidation left both the ordinary and "A" shares at a nominal 90p against overnight levels of 120p for the ordinary and 100p for the "A". This capitalises the company at £450,000, compared with the issued capital of £500,000.

Shiristar Container Transport, a private company, recently announced the purchase of more than 14 per cent of the Hall shares. Hall incurred a loss of £176,000 in the half-year to February 28.

CATTLE'S BUYS RETAIL CHAIN

Cattle's (Holdings) has reached agreement for the acquisition of Rosebys, Sheffield-based retailers of household textiles and soft furnishings, for a total of £122m.

The agreed consideration is made up as to £480,000 cash and the issue of 3.1m ordinary shares. Profits before tax of Rosebys for the year ended March 31, 1979 amounted to £310,000.

Unaudited net assets at March 31, 1979 totalled £904,000 and a subsequent valuation of Rosebys leases has produced a surplus of some £150,000.

CLYDE PETROLEUM

Clyde Petroleum, which proposes to acquire the remaining 70.1 per cent of Dr. Colin Phipps and Partners, is valuing this outstanding slice of the petroleum consultancy at £1.09m.

This is based on the figure of £1.55m calculated for the full value of the partnership and the acquisition sum would be met by the issue of 806,444 deferred shares. A value of 135p has been attributed to the deferred shares in working out the offer, the company says in the acquisition document.

Dr. Phipps and Mr. S. D. Rendall, directors of the partnership, have been on Clyde's board since it was founded in 1973. The partnership's directors have agreed to the offer.

Unigate plans full range of products

Net assets of Unigate will rise from £285m to nearly £305m as a result of the £27m sale of 16 creameries to the Milk Marketing Board.

In the formal sale document, Unigate says that the proceeds — a net £70.4m after deduction of a £13.5m loan to a leasing associate, repayable within seven years — will be used in its meat products, liquid milk and other businesses.

Mr. John Clements, the chairman, says the company aims to develop the sale and distribution of a full range of branded and own label dairy products.

Unigate's stocks will fall from £119.3m to £57.5m after the deal is completed on August 18, according to a pro-forma balance sheet contained in the document. Fixed assets will total £128.5m against £153m before the deal.

LEX \$6M. US. ACQUISITION

Lex Service Group has acquired Motor Rim and Wheel Service Incorporated for \$6.1m in cash. The acquisition price, together with debt on acquisition of \$2.2m, is to be financed in dollars on a long-term basis.

Motor Rim are specialists in the distribution of axles, brake components, axles and related under-chassis parts, primarily for commercial vehicles, and operates from seven locations in California and one in Arizona. Sales turnover for 1978 was \$40m and pre-tax profit \$1.5m.

IAS' CARGO

An extraordinary meeting of I.A.S. Cargo Airlines has approved L.A.S. Cargo Airlines... has approved the acquisition of Transmeridian Air Cargo from Cunard Steamship. A meeting also approved that I.A.S. will change its name to British Cargo Airlines with effect from August 20. Previous I.A.S. shareholders now own 65 per cent of the capital in British Cargo Airlines and Cunard the balance.

SHARE STAKES

Arthur Guinness Son and Company, director, has disposed of 24,000 shares from his personal holding to trustees of his marriage settlement for £45,560. Lady Iveagh has a beneficial interest.

George Ingham and Co. (Holdings) — G. C. Robinson, director, has purchased 30,864 ordinary at 6p bringing his holding to 49,045 (2.5 per cent).

Freoch Kier Holdings — J. C. S. Mott, director, has bought 50,000 ordinary at 33p.

Hiltons Footwear — Following are directors' holdings compared with previous holdings: J. G. Hilton 214,337 shares (144,888); J. D. Hilton 72,276 (48,184); M. C. Hilton 673,941 (438,041); C. R. Hilton 101,640 (65,760); S. P. Hilton 258,248 (170,832); E. M. Rowley 2,850 (1,800); L. T. Kendrick nil (same); Lloyds Life Assurance holds 347,520 (231,650).

Mercantile House Holdings — Britannia Arrow Holdings bought 110,000 shares between August 8 and 13, and now holds 335,100 (7 per cent).

Lesney Products, I. T. C. Pension Trust jointly with I. T. C. Pension Investments are interested in 17,825 ordinary shares (0.06 per cent) and 215,720 restricted voting ordinary shares (10.78 per cent). Malayalam Tin. C. G. De Lisle Bush, director, and immediate family, has acquired 65,000 shares (10.915 per cent).

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WOOLWORTH

Interim Report

Six months ended 31st July, 1979

12 months ended 31st January, 1979	6 months ended 31st July 1979	6 months ended 31st July 1978
£000's	(unaudited)	
£000's	£000's	£000's
875,185	423,543	380,112
(51,793)	(30,551)	(21,938)
823,392	392,992	358,174
64,474	24,220	17,578
(8,475)	(4,999)	(4,109)
(4,834)	(3,672)	(4,882)
1,442	715	643
497	—	357
53,104	16,284	12,586
(12,584)	(6,506)	(4,585)
40,520	9,758	8,020
(357)	(986)	(220)
(781)	—	—
39,382	8,778	7,800
1072p	2.58p	2.12p

1072p EARNINGS per Ordinary Stock unit of 25p

- Turnover for the first half year shows an 11.5% increase over the corresponding half year of 1978. Since the commencement of the new VAT rates at 18 June 1979, there has been a reduction in the turnover increase compared with the corresponding figures last year — of which a small effect has fallen within the last quarter. The reduction of food in the sales mix together with the continued development of clothing and other new merchandise areas has enabled the trading profit to show a 57.8% increase over the six months.
- Depreciation is £290,000 greater than last year and the cost of interest has increased by £1.8 million over the six months. The taxation charge is calculated at a rate of 52% (1978: 52.5%) on the estimated taxable amount and applying accounting policies stated in the Annual Accounts for the year ended 31 January 1979. The 1978 figures have been comparably adjusted.
- An interim dividend of 1.3475p (1978: 1.225p) per ordinary stock unit will be paid on 6 October 1979 to stockholders on the register at 3.59 p.m. on 1979.
- Consumer spending has shown some curtailment over recent weeks due in part to the uncertainties of the economic climate since the Budget, but we are expecting an upturn in sales as the year progresses culminating in good Christmas business.

The figures shown and the result for the period are not readily translated into US terms due to the required application of US accounting principles.

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BACO

The British Aluminium Company Ltd

Results for the six months ended 30 June 1979

Key points from the Interim Statement

- * Results for the first half of 1979 have been adversely affected by industrial disputes both within and outside the company. Profit before tax is £11.0 million compared with £12.6 million in the first half of 1978.
- * The world market for aluminium ingot strengthened steadily throughout the first half of 1979.
- * Profits in the second half of 1979 are expected to be somewhat higher than in the first half subject to any industrial disputes and the adverse effects of the strength of sterling.
- * Interim dividend 5.5p (1978 comparable 5p) per Ordinary Share of 50p.

	6 Months Ended 30 June 1979	6 Months Ended 30 June 1978	Year Ended 31 Dec. 1978
	£'000	£'000	£'000
External sales	133,557	100,705	210,552
Profit before taxation	11,048	12,626	25,098
Profit after taxation	9,208	11,437	22,008
Cost of dividends	2,692	2,224	5,882
Dividend per ordinary share	5.5p	5p	12.5p

The British Aluminium Company Ltd, 7 Balm Street, London, W1M 1AB.



Interim Statement

The results for the six months ended 30th June 1979, estimated and subject to audit, are compared below with those for the similar period in 1978, which are restated at 31st December 1978 rates of exchange; also shown are the actual results for the full year 1978.

It must be emphasised that the results for the interim period do not necessarily provide a reliable indication of those for the full year.

	6 Months to 30.6.79 Estimate £ millions	6 Months to 30.6.78 Estimate £ millions	Year 1978 Actual £ millions
Net written premiums—			
General Business	408.7	370.2	745.8
Investment Income	48.5	40.8	88.3
Underwriting Results—			
General Business	(17.4)	(5.7)	1.1
Long Term Insurance Profits	1.5	1.4	2.3
Loan and Bank Interest	32.6	36.5	91.8
Profit before Tax and Minority	6.8	0.8	1.5
Interests	31.8	35.7	90.1
Taxation	8.6	10.4	29.7
Minority Interests and Preference Dividend	0.7	0.7	1.0
Net Profit attributable to Shareholders	22.5	24.6	59.4
Principal exchange rates used in converting overseas results—			
U.S.A.	\$3.18	\$2.04	\$2.04
Canada	\$2.34	\$2.42	\$2.42

Net written premiums and investment income increased in sterling terms by 10.4% and 18.9%, respectively. Adjusted to exclude the effects of currency fluctuations the increases were 14.7% and 24.1%, respectively.

United Kingdom net premium income amounted to £176 million (1978, £145 million) and there was an underwriting loss of £11 million (1978, £5 million loss). There was a small underwriting profit overall in the second quarter. A marginal loss in the Motor account increased the six months deficit to £5 million and further losses were experienced on Homeowners business but the Industrial Property account produced a good profit. The six months loss of £6.5 million on these combined Property accounts almost entirely reflects the cost of weather losses in the first quarter.

In the United States net written premiums were \$299 million (1978, \$269 million) and the operating ratio was 99.72%, as compared with 99.63% for the same period in 1978. On the United Kingdom basis there was an underwriting loss of £1.2 million (1978, £0.7 million loss). Despite some deterioration in experience, the Automobile account produced a profit for the six months period but this was offset by losses in the Liability and Property accounts, although the latter account performed well in the second quarter.

In the rest of the world the second quarter saw some improvement in experience in Canada and Australia but further losses were incurred in Europe.

Life Department

New business figures are as follows

	6 Months to 30.6.79 £ millions	6 Months to 30.6.78 £ millions	Year 1978 £ millions
New Benefits—			
Sums assured	1,050.1	1,075.9	1,963.6
Annuities per annum	13.4	13.1	26.4
New Life and Annuity Premiums—			
Annual	7.1	7.6	14.8
Single	5.2	4.4	10.7

Dividend

The Directors have declared an interim dividend for the year ending 31st December 1979 of 5.5p per share (1978 4.125p) payable on or after 1st January 1980 to ordinary shareholders on the register of members on 30th November 1979.



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MESSAGE TO BESTOBELL SHAREHOLDERS SAY "NO" TO BTR

- BTR's opportunistic offer seriously undervalues Bestobell. Bestobell's interim profits up 37 per cent. Record profits and higher dividends forecast for 1979. Britannic Assurance, our largest shareholder with 10 per cent., has categorically rejected the bid. An independent Bestobell has a bright future. Don't give this away to BTR on the cheap. YOU ARE THEREFORE URGED TO REJECT THE OFFER AND TO IGNORE ANY DOCUMENTS SENT TO YOU BY BTR.

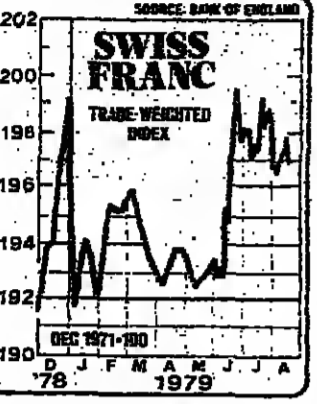
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Financial Times Thursday August 16 1979 CURRENCIES, MONEY and GOLD

Dollar and pound steady

TRADING WAS fairly active in the foreign exchange market yesterday with the dollar slightly firmer against most other major currencies. Paris, Milan and Brussels were closed for Assumption Day, but trading among other European centres was quite good. Sterling opened at \$2.2300-2.2310 and rose to \$2.2340 at 10.30 a.m. It touched \$2.2470-2.2480 in the early afternoon as commercial demand for the pound continued. Towards

lightened credit by pushing up the Federal funds rate, and Chase Manhattan Bank raised its prime lending rate to 12 per cent from 11 1/2 per cent. The dollar rose to DM 1.8335 against the D-mark from DM 1.8320, after touching a high point of DM 1.8355. In terms of the Swiss franc, the U.S. currency improved to SwFr 1.6585 from SwFr 1.6560. FRANKFURT—The dollar was fixed at DM 1.8398 against the D-mark, compared with DM 1.8334 previously. Trading was very quiet, and the Bundesbank did not intervene. Several European centres, as well as some Catholic areas of Germany, were closed for a religious holiday, and the dollar moved within a narrow band of DM 1.8320 to DM 1.8303 up to the closing Tuesday's meeting of the U.S. Federal Reserve open market committee had little impact, since it was too soon to tell whether credit conditions had been tightened. Sterling was firm, and was fixed at DM 4.0950, close to the upper limit of its recent range against the D-mark. ZURICH—Trading was quiet, with several European centres closed. By mid-morning the dollar was unchanged from its opening level of SwFr 1.6545 against the Swiss franc, down slightly from the previous closing rate of SwFr 1.6560.



little change in dollar trading, closing at ¥216.55 against the yen, compared with ¥216.85 previously. There was no news to affect the market, and the U.S. currency moved within a narrow range throughout, touching a low point of ¥216.55. It closed around the best level of the day.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns for Currency, Aug 15, % change from Aug 14, % change from central, and Divergence from limit. Includes rows for Belgium Franc, Danish Krona, German D-Mark, French Franc, Dutch Guilder, Irish Punt, Italian Lira, etc.

EXCHANGE CROSS RATES

Table showing exchange rates for various currencies including Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, and Belgian Franc 100.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various currencies and terms (16 short term, 1 month, 3 months, 6 months, one year) for Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, West German Mark, French Franc, Italian Lira, Asian \$, and Japanese Yen.

INTERNATIONAL MONEY MARKET

Signs of Fed tightening

The U.S. Federal Reserve acted to drain reserves from the banking system by way of overnight reverse repurchase agreements yesterday, with Federal funds at 10 1/2 per cent. The extent of any tightening of credit by the authorities remains shrouded in uncertainty, however, since the Fed was expected to raise its target rate for Fed funds—the uncommitted reserves left between banks—at Tuesday's first open market committee meeting to be presided over by Federal Reserve Board chairman, Mr. Paul Volcker.

high as 11 per cent, however, since anything lower is unlikely to be enough to sustain the dollar at its recent levels. Action by the authorities in the market has suggested that a tightening of credit is likely, although the situation has been complicated by technical factors. Federal funds touched 10 1/2 per cent on Tuesday, but declined when the central bank added reserves to the banking system at 10 1/2 per cent. Rates closed at 10 1/2 per cent, yesterday, by weekly make up day for the banks. Federal funds were around 11 per cent in early trading, but it will probably be Thursday before it becomes clear what decisions were made at the

open market committee meeting. Several U.S. banks have raised their broker loan rates, thus increasing the cost of buying stock on credit, and the likelihood of another increase in prime lending rates. Chase Manhattan Bank led the way yesterday, raising its prime rate to 12 per cent from 11 1/2 per cent. FRANKFURT—The money rate rose to 6.80-7.00 per cent from 6.40-6.60 per cent and period rates were also firmer. One-month increased to 6.80-6.90 per cent from 6.50-6.60 per cent; three-month to 7.10-7.20 per cent from 6.90-7.00 per cent; six-month to 7.35-7.45 per cent; and 12-month to 7.40-7.50 per cent from 7.35-7.45 per cent.

GOLD

Firmer trend

Gold rose \$31 to close at \$299.300, active trading. It opened at \$301.4302, and was fixed at \$300.25 in the morning and \$301.55 in the afternoon. The metal touched a low point of \$298.7291, and a best level of \$305.3031. In Frankfurt the 12 1/2 kilo gold bar was fixed at DM17,660 per kilo (\$300.16 per ounce), compared with DM17,260 (\$293.19) previously.

UK MONEY MARKET

Adequate credit supply

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979). Day-to-day credit was in adequate supply in the London money market yesterday, with conditions fairly quiet except the fact that as the third Wed-

nesday in the month it was made up day for London banks. The authorities did not intervene. Banks brought forward small run-down balances, but this was balanced by a slight fall in the note circulation, and a small excess of Government disbursements over revenue payments to the Exchequer.

Discount houses paid 13 1/4 per cent for secured call loans in the early part, with closing balances taken at 11-13 per cent. In the interbank market overnight loans touched a low point of 8 per cent, before closing at 12 per cent. Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Table showing London money rates for various terms (Overnight, 2 days notice, 7 days notice, One month, Two months, Three months, Six months, Nine months, One year, Two years) for Sterling, Interbank, Local Authority deposits, Finance Deposits, Discount, Treasury Bills, and Fine.

MONEY RATES

Table showing money rates for New York, Germany, and France, including Prime Rate, Fed Funds, Treasury Bills, and Discount Rates.

Local authority and finance houses seven days notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 13 per cent, four years 12 1/2-13 per cent, five years 12 1/2-13 per cent, six years 12 1/2-13 per cent, seven years 12 1/2-13 per cent, eight years 12 1/2-13 per cent, nine years 12 1/2-13 per cent, ten years 12 1/2-13 per cent. Approximate selling rate for one-month Treasury bill 13 1/2 per cent; two-month 13 1/2 per cent; three-month 13 1/2 per cent; six-month 13 1/2 per cent; nine-month 13 1/2 per cent; one-year 13 1/2 per cent; two-year 13 1/2 per cent. Finance House Base Rates (published by the Finance Houses Association) 14 per cent from August 1, 1979. Clearing Bank Deposit Rates for small sums at seven days notice 11 1/2 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.2760 per cent.

Companies and Markets

NMB lifts profits at halfway stage

By Our Financial Staff

FIRST HALF profits higher by 34 per cent at the net level are reported by Nederlandse Middestandsbank, one of the big three commercial banks in Holland.

NMB has lifted earnings to Fl 75.5m (\$37.5m) from Fl 56.5m in the six months ended June. The performance puts the bank comfortably ahead of its two main rivals—ABN and Amro—which reported first half profits growth of 64 per cent and 15 per cent respectively.

NMB also points out that profits in the current six months are likely to match those of the first, due to the continuing growth of business. Thus earnings overall should emerge at Fl 144.9m compared with the Fl 144.9m achieved in 1978.

Both Amro and ABN announced their interim results at the end of last week. At the time Amro was moderately optimistic for the second half, but ABN refused to be drawn on any overall forecast.

NMB's balance sheet total at the end of June totalled Fl 38.7bn, a rise of 19 per cent from the level of end June 1978.

Speaking in Chicago, Mr. Andre Batenburg, chairman of ABN, said yesterday that the rate of increase in net earnings should pick up in the longer term from the first half's 6.3 per cent gain. He said he expects the guild to remain strong against the dollar and D-Mark, and that this will have some effect on earnings. ABN expansion plans this year or early next include branches in Madrid, Fukuoka in Japan, and two in Saudi Arabia.

Wells Fargo closes branch

By John Evans

WELLS FARGO BANK, the California bank which is the 11th largest in the U.S., yesterday announced plans to close its branch in Luxembourg.

The activities of the office will be assumed by the bank's London branch. Last year all Eurocurrency trading and funding by Wells Fargo was consolidated in London.

The closure was a further step towards centralising in London the bank's operations for Europe, the Middle East and Africa, Mr. Alan Holroyde, a senior vice-president, said.

SKF trebles six month earnings

BY VICTOR KAYFETZ IN STOCKHOLM

SWEDEN'S BEARING, steel and toolmaking group SKF achieved profits for the first-half of 1979 almost three times as high as for the corresponding period of 1978. Profit advanced from SKr 83m to SKr 237m (\$56m), before extraordinary items, exchange differences, allocations and tax. Sales rose by 16 per cent to SKr 5.5bn (\$1.3bn).

"In spite of increased manufacturing costs due to rising energy costs, profits for the second half of the year are also expected to show marked improvement over the corresponding 1978 period," SKF states.

Pre-tax profit for 1978 as a

whole was SKr 207m. Last spring SKF predicted merely "improved earnings" on a turnover 10-15 per cent higher than the SKr 9.5bn recorded in 1978.

SKF said the progressive improvement in the business climate during the 1979 first half led to increasing production and capacity utilisation in most of its industrial sectors, while the livelier market also accepted better price levels.

Group operating income for January-June was SKr 431m against SKr 244m a year earlier. Net financial costs rose from SKr 161m to SKr 194m.

Despite continued losses in the French and UK bearing subsidiaries, pre-tax profit from

rolling bearings—which dropped from 72 to just under 70 per cent of group sales including deliveries between product fields—rose by SKr 48m to SKr 155m. Chances of improving profitability in the sector had improved after the French Government in June agreed to a phased shutdown of the Bois-Colombes factory in Paris while reductions at the Irvine plant in Scotland were proceeding as planned.

Steel and other products together accounted for pre-tax profit of SKr 53m against a first-half 1978 combined loss of SKr 40m, and increased their share of group sales by 2 per cent to 26 per cent. Cutting

Further setback for Marra plan

By Our Sydney Correspondent

An ELEVENTH-HOUR hitch has upset the prospects of a reconstruction of Marra Developments, which was aimed at settling a long-running dispute between the company and a group of dissident shareholders. At an extraordinary meeting in Sydney, a major institutional holder, the Mutual Life and Citizens Assurance Company (MLC), voted against the capital reconstruction and threatened legal action if necessary.

Although the Marra board appeared to have the numbers to carry the day, the meeting was adjourned until next week, perhaps influenced by the fact that there have been several court cases already to try to settle the dispute.

Ansett sharemarket raid rocks Ampol

BY JAMES FORTH IN SYDNEY

ANSETT Transport Industries yesterday mounted one of the largest share market raids in Australia's corporate history in a move to prevent Ampol Petroleum from gaining control of the group.

Early yesterday morning Ampol, which had been buying Ansett shares for the past week, announced that it had reached its "target" 20 per cent shareholding in the airline, hotel and television group. Ansett countered with an aggressive operation in which it bought about 17m Ampol shares for the day.

After the close of stock exchange trading, Ansett announced it now held slightly more than 20m Ampol shares, almost 14 per cent of the capital. Ansett had been in the Ampol market for two days through the sharebroking firm, Potter Partners.

lified its buying price and the shares rose to 90 cents. Almost 7m shares were traded on the exchange and another 10m were bought after trading.

Ansett is now easily the largest shareholder in Ampol. Its move appears designed to discourage Ampol from co-operating with another major Ansett holder, Thomas Nationwide Transport, to exercise control of Ansett, which has been widely suggested. TNT holds about 15 per cent of Ansett, but it is thought to have been buying yesterday and to have purchased almost 1.5m Ansett shares. Ampol appears to have picked up another 1.1m.

Ansett jumped the Ansett price up 15 cents to AS1.75 to acquire the final part of its parcel, and the price then slid back to close at AS1.55.

Late last night Ampol directors announced that in view of the "abnormal trading" in the company's shares, the shareholders should be informed that profits for the ten months to July were higher than the AS12.1m (U.S.\$13.7m) earned in 1977-78 and that higher earnings were budgeted for the full year to September 30.

Kuehne and Nagel moves ahead

BY JOHN WICKS IN ZURICH

FOR THE FIRST time ever, the international forwarding agent Kuehne & Nagel has revealed group income figures. According to the Swiss holding company, Kuehne & Nagel International AG, gross earnings reached SwFr 391m (\$236.2m) and cashflow SwFr 29.4m (\$17.1m) in 1978. Both totals are said to show a "good increase" over those for 1977.

Turnover amounted to SwFr 2.8bn (\$1.82bn) last year. Of this, some 70 per cent was accounted for by European business, 19 per cent from North America and 11 per cent

by Middle and Far Eastern, African and Latin American operations. Turnover was slightly lower than that of SwFr 2.71bn for 1977 due to the appreciation of the Swiss franc. In real-terms, growth was as much as 13 per cent.

Business developed successfully in Germany and North America. Turnover of the UK shipping and road-transport subsidiary was up by 30 per cent with Middle Eastern construction projects playing an important part.

Kuehne and Nagel International, a family-owned private

Heavy demand for Sasol share issue

By Quentin Peel in Johannesburg

POTENTIAL foreign investors in South Africa's R250m (\$623m) share issue in Sasol, the state oil-from-coal concern, could be squeezed out because of the extent of interest in the issue from within the country, observers here believe.

The R250m private placement, which is available exclusively to South African institutions, and opened yesterday, has been supported to the tune of some R800m (\$200m). It is understood that no single allocation will exceed 25m shares, worth R50m, and otherwise allocations are expected to average only 60 per cent of the offer.

Because of fears by individual investors that the surplus institutional cash would be preferentially treated when the rest of the issue, 17.5m shares worth R35m, goes on public offer in September, Sasol yesterday issued a statement seeking to reassure them.

United Engineers advance

BY OUR SINGAPORE CORRESPONDENT

UNITED ENGINEERS, a leading engineering group in Singapore and Malaysia, is on the recovery trail with a pre-tax profit of S\$2.54m (US\$ 1.2m) in the six months to June 30. The group lost more than S\$3m in 1978 after a pre-tax profit of S\$1.66m in the first half.

Turnover in the first half rose by 10 per cent to S\$32.6m, com-

pared with the previous first half. United Engineers said that prospects for its heavy equipment division are encouraging while its commercial division continued to show improvement. However, competition in the engineering sector remained severe and special efforts are being made to generate a higher volume of business through its workshops.

First half increase at Elkem

BY FAY GJESTER IN OSLO

THE NORWEGIAN metals, mining, manufacturing and engineering group, Elkem Spjervevirket, reports a profits upsurge in the first half of this year, mainly as a result of good demand and high prices for aluminium and ferro-silicone, two of Elkem's most important products.

works near Liverpool. This will involve an investment of around Nkr 100m, and Bldston's output will be integrated with that of Manchester Steel, another small steel works which the concern owns in Britain.

Elkem has other investments in hand costing some Nkr 200m. They include capacity expansion at a silicone metal plant in Sveigen, west Norway, modernisation and expansion of a wire rolling mill in Oslo, and rebuilding of a ferro-silicone furnace at Christiansand.

Trade Development Bank boost

BY OUR FINANCIAL STAFF

TRADE DEVELOPMENT Bank Holding SA, the Luxembourg based bank holding company, reports net earnings after taxes stand at Nkr 18.9m or \$1.15 per share for the first six months of 1979 compared with \$16.6m or \$1.01 for the first half of 1978.

Total consolidated assets of the group amounted to \$3.83bn in the first-half compared with

\$4.50bn in the same period of 1978.

Deposits increased by 29.6 per cent to \$5.19bn from \$4bn. Total capital and loan funds employed rose to more than \$500m.

As part of the group's policy of augmenting capital funds, so far this year an additional \$10m of 25-year serial notes were issued by the group holding company.

VONTOBEL EUROBOND INDICES					
14.5.76=100%					
PRICE INDEX	7.8.79	14.8.79	AVERAGE YIELD	7.8.79	14.8.79
DM Bonds	100.84	109.73	DM Bonds	7.180	7.207
HFL Bonds & Notes	96.38	97.00	HFL Bonds & Notes	8.999	8.882
U.S. \$ Str. Bonds	95.59	95.62	U.S. \$ Str. Bonds	9.998	9.978
Can. Dollar Bonds	95.47	96.29	Can. Dollar Bonds	10.219	10.254

Weekly net asset value on August 13, 1979

Tokyo Pacific Holdings N.V.
U.S. \$67.64

Tokyo Pacific Holdings (Seaboard) N.V.
U.S. \$49.28

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson NV Herengracht 214, Amsterdam.

This announcement appears as a matter of record only



CORPORACION ESTATAL PETROLERA ECUATORIANA

US \$33,500,000
Medium Term Loan

Guaranteed by
The Republic of Ecuador

Provided by
International Westminster Bank Limited
Bank of London and Montreal Limited
The Industrial Bank of Japan, Limited

Arranged by National Westminster Bank Group

This announcement appears as a matter of record only



sterling equivalent of
US \$ 38,000,000
Medium Term Loan

Provided by
International Westminster Bank Limited
Bank of America NT & SA
Bank of Scotland
Midland Bank Limited

Arranged by National Westminster Bank Group

Algemene Bank Nederland N.V.

has acquired

LaSalle National Bank

from

GATX Corporation

We acted as financial advisor to GATX Corporation in this transaction.

Goldman, Sachs & Co.

New York Boston Chicago Dallas Detroit
Houston Los Angeles Memphis Miami
Philadelphia St. Louis San Francisco

International subsidiaries:
London Tokyo Zurich

August 15, 1979



JAPANESE NEWS

Fishing company seeks U.S. base

BY OUR FINANCIAL STAFF

NICHIRO Gyogyo Kaisha, Japan's third largest integrated fishing company, plans to strengthen its ties with Peter Pan Seafoods, a U.S.-based fishing group.

The company said it is negotiating to acquire the whole of Peter Pan's issued capital. No figure has yet been disclosed although the stock currently has a value of around U.S.\$ 23.5m.

It appears that Nichiro Gyogyo is trying to find a stable source of salmon and trout following tightening of restrictions in the north Pacific. Peter Pan is reported to be exporting canned and frozen salmon and trout to Japan, Britain and other countries. It also operates six factories in the Aleutian Islands, Bristol Bay and other locations. Annual sales are in the region of U.S.\$100m.

Last November Nichiro Gyogyo made a \$6m loan to the company for use as operating funds.

* * *

TWO JAPANESE chemical companies, Showa Denko K.K. and Sumitomo Chemical, have reported sharply better results in the six months to June 30.

Showa Denko posted a ¥2,130bn (U.S.\$9.88m) net profit in the period on sales totalling ¥164.9bn compared with ¥164.9bn net profit on sales of ¥149.4bn in the first half of 1978.

The company said that after tax profits for the full year should reach ¥5bn (¥3.65bn last year). No dividend was declared and resumption of dividends will depend on an assessment of prospects for 1980.

Sumitomo Chemical's net profit for the half year was ¥2,875bn against ¥338m a year earlier on sales that were 12.7 per cent ahead at ¥252bn.

A company finance department official attributed the profit jump to improved sales volume stemming from the business recovery in Japan and to production cost cuts.

* * *

PIONEER Electronics has announced a 13.2 per cent jump in net profit to a record ¥4,115bn (\$18.9m) for the three months to June 30. Sales were up 9.7 per cent against the corresponding period last year to ¥53.6bn.

Company officials said the

healthy result was due chiefly to the year's decline. "In Europe, sales of stereo and other audio equipment almost doubled compared with the same period in fiscal 1978," they said. "In Japan, too, sales of this product group showed an increase of 44 per cent owing to the strong performance of the company's component-car stereo line-up."

Sales in Japan totalled ¥21,150—24.8 per cent higher than the previous corresponding period—while overseas sales edged up 1.8 per cent to ¥32.5bn.

The latest figures take the consolidated net profit for the first nine months to ¥10.3bn (12.7 per cent above last year's figure) on sales 7.3 per cent higher at ¥164.9bn.

Satisfactory first half at East Asiatic

BY WONG SULONG AND GEORGIE LEE

THE EAST ASIATIC Company of Malaysia reports first half consolidated pre-tax profits of 15.9m ringgit (U.S.\$7.36m) and describes the results as satisfactory. No comparison is made with the results of the previous interim period as the latest figures include profits from The River Estates in Sabah, which was acquired last August.

On the parent company level, EAC made 11.6m ringgit during the current first half, representing a 4 per cent increase. It said with the high prices of rubber and palm oil, its plantation division performed better than expected. The trading division showed satisfactory progress, but its Dumex division (baby foods) was hit by rising costs of imported raw materials. An interim dividend of 7.5 per cent has been declared.

Also reporting from Kuala Lumpur is Dunlop Malaysian Industries whose profit margins have been squeezed by rising raw materials costs. The company discloses a 6 per cent increase in half-year pre-tax profit to 18.3m ringgit (U.S.\$8.5m) on a sales rise of 13 per cent to 93.6m ringgit.

Although sales were expected to improve during the second half, Dunlop doubted whether profits would be any better than those of the first half considering the increases in raw materials cost. It is paying an interim dividend of 12.5 per cent, compared with 10 per cent in 1978.

* * *

THE Overseas Union Bank, one of the big four Singapore banks, has experienced an 18 per cent improvement in group pre-tax profit for the half year ended

June 1979. Group pre-tax profit, after providing for diminution in the value of assets and allocations to inner reserves, was \$814.85m, compared with \$812.6m.

Growth at the parent bank was faster with pre-tax profit registering a 24.3 per cent improvement to \$812.76m. The group figures have been adjusted to exclude those of Overseas Union Securities, a closed end investment trust, which ceased to be a subsidiary in the second half of last year. The associate company, Overseas Union Enterprise, which owns the prestigious Mandarin Hotel in Singapore, reports a 31 per cent rise in pre-tax earnings.

* * *

HONG LEONG FINANCE, Singapore's largest local finance company, announced a 10.4 per cent improvement in group pre-tax profit to \$82.5m for the half year ended June 1979. The figure includes four months profit from the newly acquired subsidiary, Singapore Finance. Pre-tax profit at the parent company expanded at a slower 5.5 per cent to \$84.46m.

Record deficit for El Al

BY DAVID LENNON IN TEL AVIV

EL AL, Israel's national airline, reports a loss of U.S.\$24m during the 1978-79 fiscal year. This is the first time in 12 years that the company has announced a loss, and it is the largest in the company's history.

Mr. Mordechai Ben-Ari, El Al's chairman, blamed the loss on a three-week shutdown last year, the closure of El Al's Tehran office, oil price increases, a change in U.S. fares policy, and the purchase of two Boeing 747 Jumbo jets. The three-week shutdown, ordered by the company after a small group of workers went on strike, cost \$16.5m and failed in its objective of preventing further strikes by airline staff. The closure of the Tehran office and the cancellation of the route, which was ordered by the revolutionary regime, cost \$1m.

Annual revenue rose by 8 per cent over the previous year to total \$331.2m.

Curaçao Depository Receipts of Ordinary Shares

SANYO ELECTRIC CO. LTD.

The undersigned, acting as duly authorised Agent of Carneth Administration Company N.V. announces that the above mentioned company has made an interim dividend distribution of Yen 3 per share in cash for the financial year ending 30th November 1979. Effective 21st August 1979, this dividend will be payable, after deduction of 20% Japanese tax, on the coupons No. 23 of the depository receipts as follows:

- \$ 5.51 per CDR of 10 depository shares of 50 ord. shares
- \$11.02 per CDR of 20 depository shares of 50 ord. shares
- \$55.10 per CDR of 100 depository shares of 50 ord. shares

Residents of countries which have concluded a tax treaty with Japan, may, only afterwards, claim a 5% tax refund in Japan. The coupons No. 23 may be presented in:

- London to The Sumitomo Bank Ltd., Temple Court, 11 Queen Victoria Street, LONDON EC4N 4TP
- Hamburg to Bank Mees & Hope NV, Pelzerstrasse 2
- Paris to Banque de l'Union Européenne, 4 rue La Fayette, 75 PARIS 2e
- New York to Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, N.Y. 10015
- Amsterdam to Bank Mees & Hope NV, Herengracht 548
- Amsterdam, 10th August 1979.

BANK MEES & HOPE NV

All these securities having been sold, this announcement appears as a matter of record only.



European Investment Bank

£15,000,000

12 per cent. Sterling/U.S. dollar payable Bonds 1991

S. G. Warburg & Co. Ltd.

N. M. Rothschild & Sons Limited

Sumitomo Finance International

August 16, 1979

All these bonds having been sold, this announcement appears as a matter of record only.

NORGES KOMMUNALBANK

DM 100,000,000
7 3/8% Bonds due 1989
- Private Placement -

Guaranteed by the
KINGDOM OF NORWAY

**WESTDEUTSCHE LANDESBANK
GIROZENTRALE**

US \$20,000,000
Floating Rate London-Dollar Negotiable
Certificates of Deposit, due August, 1980



In accordance with the provisions of the Certificates, notice is hereby given that for the six months interest period from 16th August, 1979 to 19th February, 1980, the Certificates will carry an interest rate of 11 1/2% per annum. The relevant interest payment date will be 19th February, 1980.

Credit Suisse First Boston Limited
Agent Bank

U.S. \$20,000,000
Floating Rate U.S. Dollar Negotiable
Certificates of Deposit
Due 17th August 1982

The Mitsui Bank Ltd.
LONDON



In accordance with the provisions of the Certificates, notice is hereby given that for the initial six months interest period from 15th August, 1979, to 15th February, 1980, the Certificates will carry an interest rate of 11 1/2% per annum. The relevant interest payment date will be 15th February, 1980.

Merrill Lynch International Bank Limited
Agent Bank

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY



JORDAN CEMENT FACTORIES COMPANY LIMITED

U.S. \$15,000,000
Term Credit Facility

Guaranteed by
THE HASHEMITE KINGDOM OF JORDAN

Managed by
Arab Bank Investment Company Limited

Chase Merchant Banking Group

Co-managed by
**Arab Jordan Investment Bank
Midland Bank Limited
Abu Dhabi Investment Company
Grindlays International Limited
Gulf International Bank B.S.C.
The Tokai Bank, Limited**

**Kuwait Foreign Trading, Contracting & Investment Co. (S.A.K.)
Arab African International Bank—Cairo
Lloyds Bank International Limited**

Provided by
**Arab Bank Limited
Kuwait Foreign Trading, Contracting & Investment Co. (S.A.K.)
Arab African International Bank—Cairo
Gulf International Bank B.S.C.
Lloyds Bank International Limited**

**Arab Jordan Investment Bank
Midland Bank Limited
Abu Dhabi Investment Company
The Chase Manhattan Bank, N.A.
Grindlays International Limited
The Tokai Bank, Limited**

Agent
The Chase Manhattan Bank, N.A.

3rd AUGUST, 1979

مكذمان الأصل

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY



EMPRESA NACIONAL HIDROELECTRICA DEL RIBAGORZANA S.A.

U.S. \$62,000,000
TERM CREDIT FACILITY

MANAGED BY
CHASE MERCHANT BANKING GROUP
BANCO COMERCIAL PARA AMERICA S.A.
BANQUE EUROPEENNE DE CREDIT (BEC)
DEUTSCHE GIROZENTRALE INTERNATIONALE S.A.
LLOYDS BANK INTERNATIONAL LIMITED
MIDLAND BANK LIMITED

CO-MANAGED BY
BANQUE SELGE LIMITED
SOCIETE GENERALE DE BANQUE
BANQUE NATIONALE DE PARIS
CREDIT LYONNAIS
IRVING TRUST COMPANY

FUNDS PROVIDED BY
MIDLAND BANK LIMITED
BANQUE EUROPEENNE DE CREDIT (BEC)
LLOYDS BANK INTERNATIONAL LIMITED
SOCIETE GENERALE DE BANQUE
CREDIT LYONNAIS
TAKUJIN INTERNATIONAL (ASIA) LIMITED
ITALIAN INTERNATIONAL BANK LIMITED
BANCO COMERCIAL PARA AMERICA S.A.
DEUTSCHE GIROZENTRALE INTERNATIONALE S.A.
BANQUE DE COMMERCE, S.A.
BANQUE NATIONALE DE PARIS
IRVING TRUST COMPANY
THE TOKAI BANK, LIMITED

AGENT
THE CHASE MANHATTAN BANK, N.A.

JULY 1979

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

CAMEROON SUGAR COMPANY (CAMSUCO)

U.S. \$50,000,000
MEDIUM TERM LOAN

GUARANTEED BY
THE UNITED REPUBLIC OF CAMEROON



LEAD-MANAGED BY
CHASE MERCHANT BANKING GROUP

MANAGED BY
DG BANK
DEUTSCHE GENOSSENSCHAFTSBANK
STANDARD CHARTERED BANK LIMITED

CO-MANAGED BY
AMERICAN EXPRESS BANK
INTERNATIONAL GROUP
BANK OF MONTREAL
BANQUE EUROPEENNE DE TOKYO
ALGEMENE BANK NEDERLAND N.V.
BARCLAYS INTERNATIONAL GROUP

FUNDS PROVIDED BY
THE CHASE MANHATTAN BANK, N.A.
STANDARD CHARTERED BANK LIMITED
BANQUE EUROPEENNE DE TOKYO
BANK OF MONTREAL
BANCO D'OTTA & AÇORES LONDON BRANCH
BAYERISCHE LANDESBANK GIROZENTRALE
—LONDON BRANCH—
FIRST PENNSYLVANIA BANK N.A.
INTERNATIONAL WESTMINSTER BANK LIMITED
CREDIT DU NORD
THE DAIWA BANK, LIMITED
DG BANK INTERNATIONAL SOCIETE ANONYME
AMERICAN EXPRESS BANK GmbH
ALGEMENE BANK NEDERLAND N.V.
BARCLAYS BANK INTERNATIONAL LIMITED
BANQUE ARABE ET INTERNATIONALE
O'INVESTISSEMENT (B.A.I.I.)
CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO
SOCIETE FINANCIERE EUROPEENNE FINANCE
COMPANY N.V.—S.F.E. GROUP—
THE FIRST NATIONAL BANK OF BOSTON

AGENT
THE CHASE MANHATTAN BANK, N.A.

1st AUGUST, 1979

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY



AVIACION Y COMERCIO, S.A.

U.S. \$30,000,000
TERM CREDIT FACILITY

GUARANTEED BY
INSTITUTO NACIONAL DE INDUSTRIA (INI)

ARRANGED BY
CHASE MANHATTAN LIMITED
BANCO DE VIZCAYA, S.A.
BANCO EXTERIOR DE ESPAÑA S.A.
CREDIT GENERAL, SA DE BANQUE
INTERNATIONAL COMMERCIAL BANK LIMITED
JAPAN INTERNATIONAL BANK LIMITED
KREDIETBANK N.V.
THE MITSUBISHI BANK, LIMITED
THE MITSUBI BANK, LIMITED
NATIONAL WESTMINSTER BANK GROUP
THE SUMITOMO BANK, LIMITED

AGENT
THE CHASE MANHATTAN BANK, N.A.

AUGUST 1979

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY



U.S. \$30,075,000
TERM CREDIT FACILITY

FOR THE PURPOSE OF PARTIALLY FINANCING THE PURCHASE OF TWO BOEING 727-200 AIRCRAFT FROM THE BOEING COMPANY, U.S.

GUARANTEED BY
THE GOVERNMENT OF SOCIALIST ETHIOPIA

U.S. \$14,035,000

MANAGED BY
CHASE MERCHANT BANKING GROUP

PROVIDED BY
THE CHASE MANHATTAN BANK, N.A.
IRVING TRUST COMPANY
MANUFACTURERS HANOVER TRUST COMPANY
NATIONAL WESTMINSTER BANK GROUP

AGENT
THE CHASE MANHATTAN BANK, N.A.

U.S. \$16,040,000

PROVIDED BY
THE EXPORT-IMPORT BANK OF THE UNITED STATES

18th JULY, 1979

WORLD STOCK MARKETS

Companys and Markets

Wall St. advances 9.1 in 46m share volume

INVESTMENT DOLLAR PREMIUM... 52.60 to 51-32 1/4 (30 1/2)...

Analysts said the credit tightening by the Fed confirmed expectations that the new Fed chairman, Paul A. Volcker, would adopt a tough monetary policy.

Y841 and Honda Motor Y8 to Y858, but Pioneer Electronic advanced Y40 to Y160.

China Provident shares fell. Dealings resumed in China Provident, which closed at HK\$32.75, compared with the cash bid of HK\$35.42 coupled with a terminal dividend of 28 cents.

Table with columns: Index, High, Low, Change, % Change. Includes NYSE, Dow Jones, etc.

Table with columns: Index, High, Low, Change, % Change. Includes Standard and Poors, etc.

Table with columns: Stock, Aug. 15, Aug. 14. Lists various stocks like Apple, IBM, etc.

Table with columns: Stock, Aug. 15, Aug. 14. Lists various stocks like Johnson & Johnson, etc.

Some Stores managed to pick up, with Kaufhof gaining DM 2.50 and Herten DM 1.50.

Stocks ended mixed to firmer, with the Coals sector providing some sharp gains.

Table with columns: Index, High, Low, Change, % Change. Includes NYSE, Dow Jones, etc.

Table with columns: Index, High, Low, Change, % Change. Includes NYSE, Dow Jones, etc.

Table with columns: Stock, Aug. 15, Aug. 14. Lists various stocks like Amstar, etc.

Table with columns: Stock, Aug. 15, Aug. 14. Lists various stocks like Amstar, etc.

Shang Hai mainly relinquished more of their recently gained ground, still unsettled by worries about a possible rise in local interest rates.

Following bid terms from Hutchison Whampoa for the

Table with columns: Index, High, Low, Change, % Change. Includes NYSE, Dow Jones, etc.

Table with columns: Index, High, Low, Change, % Change. Includes NYSE, Dow Jones, etc.

Table with columns: Index, High, Low, Change, % Change. Includes NYSE, Dow Jones, etc.

Table with columns: Index, High, Low, Change, % Change. Includes NYSE, Dow Jones, etc.

Table with columns: Index, High, Low, Change, % Change. Includes NYSE, Dow Jones, etc.

Table with columns: Series, Vol., Last, Jan., Last, April, Last, Stock. Includes various financial series.

Table with columns: Bank, Rate. Lists various banks and their lending rates.

Table with columns: Aug. 15, Price, +/-, Div. Yld. Lists various stocks and their prices.

Table with columns: Aug. 15, Price, +/-, Div. Yld. Lists various stocks and their prices.

Table with columns: Index, High, Low, Change, % Change. Includes NYSE, Dow Jones, etc.

Table with columns: Index, High, Low, Change, % Change. Includes NYSE, Dow Jones, etc.

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Table with columns: Index, High, Low, Change, % Change. Includes NYSE, Dow Jones, etc.

Vertical text on the right edge of the page, possibly a page number or reference.

Sugar surplus for Kenya

By John Worral
NAIROBI — For the first time Kenya will have a sugar surplus this year...

The second, and bigger, crop, which started last month has produced 18,165 tons...

Nine-week butter supply held in store

By Our Commodities Staff
STOCKS OF butter held in store in the UK under Common Market intervention arrangements...

W. German Cabinet backs farm tax reform Bill

By Roger Boyes in Bonn

TO A CHORUS of anguished cries from the West German Farmers' Federation and opposition politicians...

The Bill, itself a hard fought compromise between the conflicting interests of Herr Hans...

Moslem law stalls lamb deal

By Dai Hayward in Wellington

A DIFFERENCE of opinion on whether a sheep's throat should be cut lengthwise or sideways...

The Iranians want to buy 45,000 tonnes of lamb next year. New Zealand Meat Board representatives...

They failed because the Iranians do not accept New Zealand's slaughtering techniques...

This was exactly how New Zealand freezing works used to slaughter the 25m lambs...

It cost the New Zealand meat industry millions of dollars to redesign the killing procedures...

(the upper house) and could well reject the Bill in its present form. The Bill is designed to end some of the featherbedding...

It is an ill-starred package. The Farmers' Federation is unhappy, claiming book keeping costs too much money...

agreed to engage Moslem slaughtermen who would kill the animals according to Moslem law.

With the change of Government in Iran this year, shipments of New Zealand frozen lamb were stopped until a hearing...

The problem is so vital in New Zealand and its meat exporting industry that it has now become the personal concern of the Minister of Agriculture.

Trade sources now say that the crop may only yield about 6m bags.

The source said it was far too early to assess the effect on next year's production but they said it would almost certainly have an impact on the crop's first flowering.

New Brazil coffee blow

By Our Commodities Staff

A NEW setback has hit the Brazilian coffee crop. Following frost at the end of May and cold weather...

Following the May frost, the Brazilian Coffee Institute forecast next year's Parana coffee crop at 6.7m bags...

COCA
Coca futures initially advanced 230 points but fell 120...

COFFEE
Yesterday's coffee futures were mixed. Arabica futures were mixed...

GRAINS
Grains opened unchanged, and in a very quiet morning session values eased slightly...

WHEAT
Yesterday's wheat futures were mixed. Soft wheat futures were mixed...

SILVER
Silver was fixed 8.4p an ounce higher for spot delivery in the London market yesterday...

Wool futures
Wool futures were mixed. Merino wool futures were mixed...

MEAT/VEGETABLES
Meat and vegetable futures were mixed. Beef futures were mixed...

RUBBER
The London physical market opened steady. Rubber futures were mixed...

Strike fear stops fall in lead

By Our Commodities Staff

A SHARP decline in lead values on the Loodon Metal Exchange was stopped yesterday afternoon by rumours that workers at a Mexican producer's works had gone on strike.

Prices fell earlier in the day under pressure from a wave of aggressive trade selling...

Reuter reported from Mexico that the union representing 7,000 striking workers at three Quebec smelters were continuing meetings with a Government conciliator.

The meetings are the first since talks were interrupted on July 23. An Alcan spokesman said there were no other new developments in the strike...

In New York, Cmeax gold and silver futures fell sharply, reacting in reports of tighter money policy.

Gold futures fell 22 an ounce with the most active contract settling at \$368 after soaring early to a high of \$382.

Potato quota cut

By Our Commodities Staff

THE POTATO Marketing Board has set a quota of 185,000 hectares for existing growers next year...

Acres have been reduced to allow for possible imports from Europe. The quota in 1977, for example, was 185,000 hectares.

Disease moves

By Our Commodities Staff

ONLY 7 per cent of dairy herds in England and Wales have still to be declared free of brucellosis under the Ministry of Agriculture's compulsory eradication scheme...

SOYABEAN MEAL
The London market opened with gains of 10 to 15 points...

SUGAR
LONDON DAILY PRICE (raw sugar): The market opened higher but failed to hold the gains...

GRIMSEY FISH - Supply good, demand good. Prices at ship's side (unprocessed) per stone...

MEAT COMMISSION - Average latest prices at representative markets on August 15...

Wool futures
Wool futures were mixed. Merino wool futures were mixed...

MEAT/VEGETABLES
Meat and vegetable futures were mixed. Beef futures were mixed...

RUBBER
The London physical market opened steady. Rubber futures were mixed...

UK SOFTWOOD MARKET

Consumption boost surprises importers

By A CORRESPONDENT

THOSE SOFTWOOD importers still at their desks this holiday month, with the buying season now behind them, are wondering either how to finance the wood bought in the early months...

The timber importing companies, with a few exceptions, are used to living with a high rate of borrowing and this year there is a "swings and roundabouts" situation on the financial side...

Interest rates are higher than expected, but so is sterling. The trade is not over-bought, consumption has held up well, and while there is always the weak seller who needs to stimulate cash flow...

The trade has been pleasantly surprised at consumption strength. The industrial trouble which hit the Government statistical service left a five-month hiatus...

But there are two factors which may work against this assumption. First, the amount of softwood going into repairs, maintenance and improvement is almost inevitable...

Looking forward to next year, construction industry forecasts point to a small increase in housing starts but a modest reduction in expenditure on repairs...

Sweden usually emerges as our top supplier of softwood, but this year will almost certainly be topped from this position by Finland...

One grain trade official said the USSR may wait on new purchases until completion of the domestic harvest in the autumn...

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through to January. One official said the Soviet buying spree lasted from late April to mid-July when strong concern existed about a possible right to purchase wheat and feed grain supply situation...

He said he expected the USSR to be out of the market for the few months due to sufficient world grain availability and in an attempt to pay lower prices than current levels.

REUTER.

put forward a figure of 6.7m cu m consumption and added that trade was expected to fall away to the second half of the year...

It is still possible that some of the consumption which should have come in the first half will now fall in the second. The last seven months of last year saw 4.1m cu m go into consumption...

Sweden usually emerges as our top supplier of softwood, but this year will almost certainly be topped from this position by Finland...

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REUTER.

USSR may halt grain purchases

By A CORRESPONDENT

WASHINGTON — The Soviet Union is expected to withdraw from the U.S. grain market for the next few months at least...

One grain trade official said the USSR may wait on new purchases until completion of the domestic harvest in the autumn...

He said he expected the USSR to be out of the market for the few months due to sufficient world grain availability and in an attempt to pay lower prices than current levels.

REUTER.

PRICE CHANGES

Table with columns: Commodity, Price, Change, Date. Includes items like Wheat, Corn, Soybeans, etc.

AMERICAN MARKETS

Table with columns: Commodity, Price, Change, Date. Includes items like Wheat, Corn, Soybeans, etc.

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BRITISH COMMODITY MARKETS

BASE METALS

Table with columns: Commodity, Price, Change, Date. Includes items like Copper, Zinc, Lead, etc.

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NEW ZEALAND CROSSBREDS

Table with columns: Commodity, Price, Change, Date. Includes items like Sheep, Cattle, etc.

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AGNEW GALLERY, 43 Old Bond St. WI. 01-529 6175. PERMANENT MINUTARIES...

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Strong Gilt market augurs well for today's tap debut Equities featured by Dalgety bid for Spillers—Golds up

Account Dealing Dates Option First Declara- Last Account... A strong performance by Gilt-edged securities highlighted stock markets yesterday.

Reflecting the lack of market-ability in the stock, a special gain occurred in transport 3 per cent... The equity sections meanwhile passed another tedious session, a

line with market expectations. Peters, at 82p, lost 8 of the recent good rise on profit-taking in the absence of bid developments.

Reflecting disappointing second-quarter profits, Unilever were immediately lowered to 200p before closing 5 down on balance at 505p.

Burmah put on 3 to 145p and Ultramarine hardened 2 to 314p. Shippings trended easier, Furness Withy shedding 5 to 253p.

South African Golds staged a modest rally in line with the bullish price and investment currency premium but activity in the sharemarket remained extremely thin.

FINANCIAL TIMES STOCK INDICES Table with columns for various indices like Government Secs, Fixed Interest, Industrial, Gold Mines, etc.

HIGHS AND LOWS S.E. ACTIVITY Table with columns for High, Low, and S.E. Activity for various stock categories.

NEW HIGHS AND LOWS FOR 1979 Table with columns for New Highs and New Lows for various stock categories.

RISES AND FALLS YESTERDAY Table with columns for Rises and Falls for various stock categories.

OPTIONS Table with columns for Deal, Last, and other option-related data.

LONDON TRADED OPTIONS Table with columns for Option, Closing price, and other option-related data.

Stylo easier Profit-taking after the recent speculative surge on bid hopes prompted a fall of 10 to 210p.

Among Motors Distributors, York Trailer attracted small buying following the interim results and firming 2 to 44p.

Among heavyweights, West Driefontein rose 1 to 224p, Hartbeest 1 to 215p and Free State Central 1 to 113p.

Oil prices remained quiet trading session, but the under-tone remained basically firm.

APPOINTMENTS

Changes at Associated Eng.

A reorganisation by ASSOCIATED ENGINEERING from October 1 will bring into operation three major sub-groups, namely, After-Market, Cylinder Components and Industrial Products.

following the merger with Transmeridian Al Cargo, a Cunard company. The new directors are Mr. W. B. Slater and Mr. D. M. Taylor.

Mr. W. A. Harper has been appointed sales director of WILLIAM WATTS, a subsidiary of Aurora Holdings.

ACTIVE STOCKS

Table of Active Stocks with columns for Stock, Denomination, Closing price, Change, 1979 high, and 1979 low.

RECENT ISSUES

Table of Recent Issues with columns for Issue Price, Denomination, and other issue-related data.

FIXED INTEREST STOCKS

Table of Fixed Interest Stocks with columns for Stock, Denomination, and other fixed interest data.

"RIGHTS" OFFERS

Table of Rights Offers with columns for Issue Price, Denomination, and other rights offer data.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Table of FT-Actuaries Share Indices with columns for Equity Groups & Sub-sections, Index No., and other share index data.

FIXED INTEREST PRICE INDICES

Table of Fixed Interest Price Indices with columns for Index No., Yield, and other fixed interest data.

LEADERS AND LAGGARDS

Table of Leaders and Laggards with columns for Sector, Change, and other performance data.

Remuneration data usually last day for dealing free of stamp duty. Figures based on prospectus estimates, p Assumed dividend and yield, a Forecast dividend based on previous year's earnings, F Dividend and yield based on prospectus or other official estimates for 1979. G Gross, T Figures assumed.



AUTHORISED UNIT TRUSTS

Table of authorized unit trusts including Abbey Unit Trst Mgrs, Friends Provident Unit Trst Mgrs, and various international and domestic funds.

Table of insurance and property bonds including Murray Johnstone U.T. Mgrs, Alliance Unit Trst Mgrs, and various life assurance policies.

Table of insurance and property bonds (continued) including Crown Life Assurance, Lloyds Life Assurance, and various investment funds.

Table of offshore and overseas funds including Alexander Fund, Keyser Uffmann Ltd, and various international investment vehicles.

Prices do not include S. American... and are in pence unless otherwise indicated. Prices of shares in S. American... are in dollars unless otherwise indicated.



FT SHARE INFORMATION SERVICE

FOREIGN BONDS & RAILS

1979 High	Low	Stock	Price	% Chg	Div. Yield
35	22	Antiochista Ry.	35		
37	28	Do. Spc Pref	37		
38	28	China Ry	38		
39	28	Chinese Gpc 1988	39		
40	28	Do. Spc 1972	40		
41	28	Do. Spc 1975	41		
42	28	Do. Spc 1978	42		
43	28	Do. Spc 1981	43		
44	28	Do. Spc 1984	44		
45	28	Do. Spc 1987	45		
46	28	Do. Spc 1990	46		
47	28	Do. Spc 1993	47		
48	28	Do. Spc 1996	48		
49	28	Do. Spc 2000	49		
50	28	Do. Spc 2004	50		
51	28	Do. Spc 2008	51		
52	28	Do. Spc 2012	52		
53	28	Do. Spc 2016	53		
54	28	Do. Spc 2020	54		
55	28	Do. Spc 2024	55		
56	28	Do. Spc 2028	56		
57	28	Do. Spc 2032	57		
58	28	Do. Spc 2036	58		
59	28	Do. Spc 2040	59		
60	28	Do. Spc 2044	60		
61	28	Do. Spc 2048	61		
62	28	Do. Spc 2052	62		
63	28	Do. Spc 2056	63		
64	28	Do. Spc 2060	64		
65	28	Do. Spc 2064	65		
66	28	Do. Spc 2068	66		
67	28	Do. Spc 2072	67		
68	28	Do. Spc 2076	68		
69	28	Do. Spc 2080	69		
70	28	Do. Spc 2084	70		
71	28	Do. Spc 2088	71		
72	28	Do. Spc 2092	72		
73	28	Do. Spc 2096	73		
74	28	Do. Spc 2100	74		
75	28	Do. Spc 2104	75		
76	28	Do. Spc 2108	76		
77	28	Do. Spc 2112	77		
78	28	Do. Spc 2116	78		
79	28	Do. Spc 2120	79		
80	28	Do. Spc 2124	80		
81	28	Do. Spc 2128	81		
82	28	Do. Spc 2132	82		
83	28	Do. Spc 2136	83		
84	28	Do. Spc 2140	84		
85	28	Do. Spc 2144	85		
86	28	Do. Spc 2148	86		
87	28	Do. Spc 2152	87		
88	28	Do. Spc 2156	88		
89	28	Do. Spc 2160	89		
90	28	Do. Spc 2164	90		
91	28	Do. Spc 2168	91		
92	28	Do. Spc 2172	92		
93	28	Do. Spc 2176	93		
94	28	Do. Spc 2180	94		
95	28	Do. Spc 2184	95		
96	28	Do. Spc 2188	96		
97	28	Do. Spc 2192	97		
98	28	Do. Spc 2196	98		
99	28	Do. Spc 2200	99		
100	28	Do. Spc 2204	100		

BANKS & HP—Continued

1979 High	Low	Stock	Price	% Chg	Div. Yield
29	19	Goede Dk My 5p	24		
30	19	Goede Dk My 10p	24		
31	19	Goede Dk My 15p	24		
32	19	Goede Dk My 20p	24		
33	19	Goede Dk My 25p	24		
34	19	Goede Dk My 30p	24		
35	19	Goede Dk My 35p	24		
36	19	Goede Dk My 40p	24		
37	19	Goede Dk My 45p	24		
38	19	Goede Dk My 50p	24		
39	19	Goede Dk My 55p	24		
40	19	Goede Dk My 60p	24		
41	19	Goede Dk My 65p	24		
42	19	Goede Dk My 70p	24		
43	19	Goede Dk My 75p	24		
44	19	Goede Dk My 80p	24		
45	19	Goede Dk My 85p	24		
46	19	Goede Dk My 90p	24		
47	19	Goede Dk My 95p	24		
48	19	Goede Dk My 100p	24		
49	19	Goede Dk My 105p	24		
50	19	Goede Dk My 110p	24		
51	19	Goede Dk My 115p	24		
52	19	Goede Dk My 120p	24		
53	19	Goede Dk My 125p	24		
54	19	Goede Dk My 130p	24		
55	19	Goede Dk My 135p	24		
56	19	Goede Dk My 140p	24		
57	19	Goede Dk My 145p	24		
58	19	Goede Dk My 150p	24		
59	19	Goede Dk My 155p	24		
60	19	Goede Dk My 160p	24		
61	19	Goede Dk My 165p	24		
62	19	Goede Dk My 170p	24		
63	19	Goede Dk My 175p	24		
64	19	Goede Dk My 180p	24		
65	19	Goede Dk My 185p	24		
66	19	Goede Dk My 190p	24		
67	19	Goede Dk My 195p	24		
68	19	Goede Dk My 200p	24		
69	19	Goede Dk My 205p	24		
70	19	Goede Dk My 210p	24		
71	19	Goede Dk My 215p	24		
72	19	Goede Dk My 220p	24		
73	19	Goede Dk My 225p	24		
74	19	Goede Dk My 230p	24		
75	19	Goede Dk My 235p	24		
76	19	Goede Dk My 240p	24		
77	19	Goede Dk My 245p	24		
78	19	Goede Dk My 250p	24		
79	19	Goede Dk My 255p	24		
80	19	Goede Dk My 260p	24		
81	19	Goede Dk My 265p	24		
82	19	Goede Dk My 270p	24		
83	19	Goede Dk My 275p	24		
84	19	Goede Dk My 280p	24		
85	19	Goede Dk My 285p	24		
86	19	Goede Dk My 290p	24		
87	19	Goede Dk My 295p	24		
88	19	Goede Dk My 300p	24		
89	19	Goede Dk My 305p	24		
90	19	Goede Dk My 310p	24		
91	19	Goede Dk My 315p	24		
92	19	Goede Dk My 320p	24		
93	19	Goede Dk My 325p	24		
94	19	Goede Dk My 330p	24		
95	19	Goede Dk My 335p	24		
96	19	Goede Dk My 340p	24		
97	19	Goede Dk My 345p	24		
98	19	Goede Dk My 350p	24		
99	19	Goede Dk My 355p	24		
100	19	Goede Dk My 360p	24		

CHEMICALS, PLASTICS—Cont.

1979 High	Low	Stock	Price	% Chg	Div. Yield
22	17	Gory (Horse) 5p	22		
23	17	Gory (Horse) 10p	22		
24	17	Gory (Horse) 15p	22		
25	17	Gory (Horse) 20p	22		
26	17	Gory (Horse) 25p	22		
27	17	Gory (Horse) 30p	22		
28	17	Gory (Horse) 35p	22		
29	17	Gory (Horse) 40p	22		
30	17	Gory (Horse) 45p	22		
31	17	Gory (Horse) 50p	22		
32	17	Gory (Horse) 55p	22		
33	17	Gory (Horse) 60p	22		
34	17	Gory (Horse) 65p	22		
35	17	Gory (Horse) 70p	22		
36	17	Gory (Horse) 75p	22		
37	17	Gory (Horse) 80p	22		
38	17	Gory (Horse) 85p	22		
39	17	Gory (Horse) 90p	22		
40	17	Gory (Horse) 95p	22		
41	17	Gory (Horse) 100p	22		
42	17	Gory (Horse) 105p	22		
43	17	Gory (Horse) 110p	22		
44	17	Gory (Horse) 115p	22		
45	17	Gory (Horse) 120p	22		
46	17	Gory (Horse) 125p	22		
47	17	Gory (Horse) 130p	22		
48	17	Gory (Horse) 135p	22		
49	17	Gory (Horse) 140p	22		
50	17	Gory (Horse) 145p	22		
51	17	Gory (Horse) 150p	22		
52	17	Gory (Horse) 155p	22		
53	17	Gory (Horse) 160p	22		
54	17	Gory (Horse) 165p	22		
55	17	Gory (Horse) 170p	22		
56	17	Gory (Horse) 175p	22		
57	17	Gory (Horse) 180p	22		
58	17	Gory (Horse) 185p	22		
59	17	Gory (Horse) 190p	22		
60	17	Gory (Horse) 195p	22		
61	17	Gory (Horse) 200p	22		
62	17	Gory (Horse) 205p	22		
63	17	Gory (Horse) 210p	22		
64	17	Gory (Horse) 215p	22		
65	17	Gory (Horse) 220p	22		
66	17	Gory (Horse) 225p	22		
67	17	Gory (Horse) 230p	22		
68	17	Gory (Horse) 235p	22		
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71	17	Gory (Horse) 250p	22		
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80	17	Gory (Horse) 295p	22		
81	17	Gory (Horse) 300p	22		
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83	17	Gory (Horse) 310p	22		
84	17	Gory (Horse) 315p	22		
85	17	Gory (Horse) 320p	22		
86	17	Gory (Horse) 325p	22		
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88	17	Gory (Horse) 335p	22		
89	17	Gory (Horse) 340p	22		
90	17	Gory (Horse) 345p	22		
91	17	Gory (Horse) 350p	22		
92	17	Gory (Horse)			

WAKO SECURITIES CO., LTD. London Branch Office

WAKO SECURITIES CO., LTD. London Branch Office. 15th Floor, Leaseway, Leaseway House, Leaseway, Leaseway, Leaseway.

MINES—Continued AUSTRALIAN

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Table of Tins with columns for Stock, Price, and other financial metrics.

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Table of Rubbers and Sisals with columns for Stock, Price, and other financial metrics.

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FAR WEST RAND

Table of Far West Rand with columns for Stock, Price, and other financial metrics.

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Table of O.F.S. with columns for Stock, Price, and other financial metrics.

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PROPERTY—Continued

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INSURANCE—Continued

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Vertical text on the left margin, possibly containing stock tickers or company names.



NEB in £5m U.S. venture

By Max Wilkinson

THE National Enterprise Board yesterday announced its first new investment to be approved by the Conservative Government—a £5m joint venture with a small U.S. company.

The NEB is to obtain a half share in the venture for making and producing portable micro-computer systems.

Its partner, the Q1 corporation of Hauppauge, New York, is contributing know-how and personnel but no capital. The investment was recently approved by Sir Keith Joseph, the Industry Secretary.

Q1 reported sales of \$4.5m with pre-tax profits of \$370,000 last year. It has 110 employees.

The company makes a small desk top computer system with a printed and plasma display (like an enlarged calculator window), which can be adapted to several purposes. With the appropriate programme it can be used for scientific computing, accounting or electronic typewriting.

The NEB intends to set up a manufacturing and a research centre in the UK to develop the product. The full details of the deal are still vague since the NEB says the legal formalities have not yet been completed.

The NEB said: "It is the intention of both parties that part of the joint venture company's equity should be placed with other investors at an appropriate time."

However, the NEB was not able to say when, or how, this might happen. In the meantime it appears that Q1 will obtain about half the equity of the joint venture in exchange for its know-how.

The NEB said it had chosen a joint venture arrangement rather than a more conventional licence agreement with Q1 to obtain closer links with the future development of the product.

The new venture is said not to be one of the group of associated companies through which the NEB subsidiary, NEXOS, intends to develop an integrated system of electronic office equipment.

NEXOS is a research development and marketing subsidiary intended to work with a group of manufacturing companies in which the NEB has taken minority stakes.

Talks have, however, been held with NEXOS about "co-operation" in marketing the Q1 systems.

THE ACROW group is expected to announce soon that it is in advanced negotiations with BL for the purchase of the major part of the Aveling Barford group of construction equipment companies.

The deal will cover Aveling Barford Limited, based at Grantham, Lincs. But it will exclude Aveling Marshall of Gainsborough, where large financial losses have forced BL to plan for the closure of the plant later this year.

Barford, of Belton and Goodwin Bardsby, both smaller companies within the group, are also likely to be excluded from the deal. Negotiations with other potential purchasers for these companies are being conducted.

The Aveling Barford group, employing 3,000, is one of the largest British-owned groups in the construction equipment industry. Over the past couple of years, it has suffered mounting losses.

The industry worldwide has encountered difficult markets, and Aveling Barford, which exports 70 per cent of output, has been particularly badly hit by overseas markets where the weak dollar has given American competitors an advantage.

Acrow already has interests complementary to construction equipment in Cotes Cranes and Priestman, which it took over in 1972. Both companies have been successfully turned round under Acrow, although the recent week market for cranes was the main factor in confirming Acrow's profit increase over the past year, from £13.1m to £13.6m, to just 5 per cent. It remains to be seen how the stock market will interpret Acrow's decision to become involved further in a difficult industry.

When BL originally put Aveling Barford up for sale earlier this year, it had hoped to sell the whole group to a single purchaser. BL soon found this was not feasible.

Acrow set to buy Aveling

By Hazel Duffy, Industrial Correspondent

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World population 'up 50% by year 2000'

BY DAVID DODWELL

MEXICO CITY is expected by the year 2000 to be the world's largest city with a population of almost 32m people. According to figures published by the World Bank today it will be among 52 cities with populations higher than 5m, of which 40 are in the developing world.

The bank says in its annual World Development Report, that total world population can be expected to increase by about 50 per cent in the last quarter of the century, from the present 4.1bn to 6bn.

The great majority of this increase will be concentrated in the developing world. Most of it will take the form of urban sprawl around cities like Calcutta, Sao Paulo, Bombay and Rio de Janeiro.

Some of these cities are already notorious for their squalor, which results from poor housing, inadequate sanitation and public services, congestion, pollution and chronic unemployment.

The World Bank fears that the increase in urban populations in the developing world is continuing at such a rapid pace that the problems already admitted will become even more pernicious.

In 1950, only one city in the Third World had a population of more than 5m—Buenos Aires. At the same time, five cities in the industrialised world had more than 5m.

City	Population year 2000 (000)	Population 1970 (000)
Mexico City	31,616	11,943
Sao Paulo	26,045	7,693
Calcutta	19,443	7,331
Rio de Janeiro	19,383	4,458
Greater Bombay	19,065	5,970
Seoul	18,711	7,525
Jakarta	16,933	4,576
Cairo	16,389	5,715
Karachi	15,862	3,478
Buenos Aires	13,979	8,325

Such programmes include: a cars rather than for buses and bias towards building roads for other cheap forms of transport; a bias towards curative medicine rather than preventive medicine; the provision of high quality public housing for a few instead of lower standard provisions for many; a preference for slum clearance, which dislocates the life of large numbers of the urban poor, rather than upgrading slum areas by providing basic services, sanitation, and fresh water.

The report also stresses the bank's traditional concerns that industrialised countries step up aid of the Third World and reduce protectionist barriers to developing country goods. It paints a relatively rosy picture of developing countries' ability to service their debts in the next

It suggests the creation of new cities, and the imposition of austere population control programmes. It also proposes complex measures to reduce migration from the countryside to the cities, and to improve the quality of life for those who will live in them.

The bank criticises the governments of certain developing countries for adopting urban development programmes which benefit a small but wealthy minority of the population.

Details, Page 2; Editorial Comment, Page 15; Economic Viewpoint, Page 19

Increase in wages may equal previous round

BY DAVID FREUD

THE OUTCOME of the current wage round now appears certain to be very close to last year's.

In the first 11 months of the round, to June, average earnings rose by 12.8 per cent, the Department of Employment said yesterday.

This figure is slightly lower than the 13.8 per cent rise in the same period of the last round, but the gap is closed by two main factors.

More employees had settled at this stage in the last round than in the current one—particularly teachers and National Health workers.

The last round's total for the first 11 months was swollen by back-pay, which is estimated to have added about 0.5 per cent to the index.

These two factors will not influence the make-up of the index for July, the final month of the round, when the annual increase should be close to the 14.2 per cent recorded last year.

The new index of average earnings, covering the whole economy, rose 13.2 per cent over the latest 12 months to stand at 150.7 in July (Jan. 1976=100, not seasonally adjusted). This compares with a 13.5 per cent rise in the year to May.

The old index, covering 11m mainly production workers, rose 16 per cent in the year to June to 386.1 (Jan. 1970=100, seasonally adjusted), compared with a 14.4 per cent rise in the year to May.

The index for basic weekly wage rates increased 11.4 per cent in the year to July 31 to 295.0 (July 31, 1972=100).

The earnings index for July



is expected to show that prices are now moving ahead of earnings for the first time since the beginning of last year.

While earnings will have risen by about 14 per cent in the year to July, the retail price index is expected to show a gain of about 15 per cent.

The Government claims that the gap is more than bridged by the Budget cuts in income tax and is introducing tomorrow a new tax and prices index intended to demonstrate the effects of the tax cuts.

Yesterday the National Consumer Council said it had written to Mr. John Nott, Trade Secretary, welcoming the new index, but stressing that it should not be presented as a standard of living index.

"It is also absolutely crucial that the index should relate to people in general or to real, identifiable groups of people, not to hypothetical, typical families."

For this reason it should include employees' national insurance, contributions and child benefits.

Cyclical indicators, Page 5; Welsh TVC pay statement, Page 8

Salisbury agrees conference

BY TONY HAWKINS IN SALISBURY

BISHOP ABEL MUZOREWA'S Cabinet yesterday accepted the British Government's invitation to attend an all-party conference on Zimbabwe-Rhodesia in London starting on September 10.

After meeting for just under two hours, the Cabinet said that in the past constitutional discussions had always been on the basis that no preconditions were laid down.

"It is on this basis, that the Government has accepted the invitation from the British Government."

The Cabinet stressed that the Government of Bishop Muzorewa represented the country of Zimbabwe-Rhodesia "and the delegation will therefore consist of representatives from the Government of that country."

In accepting the invitation, the Zimbabwe-Rhodesia Government stressed that it held office by virtue of the April one-man, one-vote elections in which an estimated 84 per cent of the potential electorate voted. These elections had been accepted by all "responsible" observers—including those from the British Conservative Party—as being "free and fair" the statement added.

Details are not available as to the composition of the Muzorewa delegation of 12. However, as the delegation is to represent the Government, there will be some delegates from Mr. Ian Smith's Rhodesia Front, from Mr. Sithole's ZANU, and from Chief Ndwani's United National Federal Party. It is not yet clear whether Mr.

Chikerema's Zimbabwe Democratic Party, which is not represented in the Cabinet, will also be given a place.

It is likely that Chief Ndwani and Mr. Sithole will be in the delegation along with Bishop Muzorewa and his senior ministers. However, there is speculation that rather than sending Mr. Ian Smith to the talks, the white Rhodesian Front will invite Mr. David Smith, the Finance Minister and Mr. Smith's deputy within the party, to be its chief spokesman.

It is understood that this would be preferred by senior black ministers and it is seen as tactically desirable since Mr. Ian Smith's non-appearance at the talks would counter claims that he continues to run the country from the background.

Tighter Fed credit

Continued from Page 1

is expected that when the administration revises its second quarter real gross national product estimates later this week, the 3.3 per cent second quarter decline in GNP reported in the preliminary estimates will be trimmed.

Some economists suggest that taken with other evidence, including the continued strength of the employment picture, the economy may not appear to have weakened as much as have feared.

Peter Riddell writes: The dollar yesterday rose to its highest level against most other

BNOC

Continued from Page 1

In this way, the Government hopes to build up a picture of the more attractive acreage yet still to be explored and to offer some of these blocks in the knowledge that they will almost certainly be accepted by the industry.

It seems likely that the next seventh round of licences will be more ambitious than the two previous rounds. As evidence of the Government's commitment to a continuing role for BNOC, officials are letting it be known that they hope some private companies will offer the corporation partnership in licences, albeit on a voluntary basis.

Rolls and Japan in engine deal

By Michael Donne, Aerospace Correspondent

THE JAPANESE Government has agreed in principle to join Rolls-Royce in a £300m development of a new jet engine, the RB-432, for a new generation of 130-150 seat short-to-medium-range airliners.

Talks on the venture have been under way for some time between the UK company and the Japanese Ministry for International Trade and Industry.

The precise Japanese share is still subject to final agreement but could be rather more than half the final cost. It is unlikely to exceed two-thirds.

Further negotiations will be held between Rolls-Royce and the three main Japanese aero-engine companies—Isuzu-Kawasaki Heavy Industries and Mitsubishi Heavy Industries.

If, as hoped, these can be completed by the end of this year, the Japanese Government will provide initial funds for its share of the venture in the national budget for the financial year starting next April.

The negotiations will cover which parts of the new engine will be built by which companies; together with arrangements for final assembly. Development of the new engine will take several years.

In the UK, the agreement will enable Rolls-Royce to get its share of the funding for the new engine from the National Enterprise Board, while the company on behalf of the Government, although part of the development cash has already been allocated from Rolls-Royce resources.

The RB-432 is an engine of between 15,000 lbs and 18,000 lbs thrust—much smaller than the 30,000 lbs-plus RB-211.

It is designed for airliners seating 130-160 passengers planned for the mid-1980s onwards by such manufacturers as Airbus Industrie in Europe and Boeing in the U.S.

It will be used on the new ventures now under way—the European A-300 250-seat and A-310 200-seat Airbus; and the Boeing 767 and 757 twin-engine aircraft, for which bigger engines, such as the Rolls-Royce RB-211 Dash 535 of 30,000 lbs thrust, are already available.

News Analysis, Page 8

It looks as if Tubes was harder hit by the industrial troubles at the beginning of the year than first thought. First quarter profits were "substantially lower" than in the corresponding quarter last year. By the second quarter things were back to normal but the combination of higher interest rates and sterling's appreciation hindered recovery.

Once again in the consumer appliance side of the business, which has provided the star performer, Volvina is up by over 20 per cent and pre-interest profits are more than doubled to £6.3m. But elsewhere Tubes' performance has mirrored the problems currently facing much of the UK industry. Margins on the steel tube business have been under strong pressure particularly in the export markets and

Weather

UK TODAY
 RAIN in most areas, London, S.E. and Cent. S. England.
 Sunny periods, perhaps rain later. Max. 17C (63F).
 E. Anglia, Midlands, N. Wales
 Sunny intervals, rain later. Max. 17C (63F).
 E. N.E., N. England, Lakes
 Sunny intervals, showers later. Max. 17-19C (63-66F).
 Channel Isles, S.W. England, S. Wales
 Cloudy, drizzle later. Winds strong to gale. Max. 17C (63F).
 I. of Man, Scotland (except N.E.), N. Ireland
 Bright intervals, showers, perhaps thunder. Max. 18C (61F).
 N.E. Scotland, Orkney, Shetland
 Bright intervals, showers. Max. 13C (55F).
 Oncoming mainly dry and warmer.
 Long-range forecast to mid-September: Dry and settled, some very warm days in south.

WORLDWIDE		7 day	Y day
Ajaccio	S	27	81
Algiers	S	28	82
Amn.	S	28	82
Athens	S	27	81
Bahra	S	27	81
Bangkok	S	27	81
Bombay	S	27	81
Buenos Aires	S	27	81
Calcutta	S	27	81
Cairo	S	27	81
Cardiff	S	27	81
Cebu	S	27	81
Colon	S	27	81
Dhaka	S	27	81
Hankow	S	27	81
Hong Kong	S	27	81
Imbabu	S	27	81
Jakarta	S	27	81
Johannesburg	S	27	81
Kuala Lumpur	S	27	81
London	S	27	81
Lyons	S	27	81
Manila	S	27	81
Mumbai	S	27	81
Nairobi	S	27	81
Rangoon	S	27	81
Reykjavik	S	27	81
Rome	S	27	81
Singapore	S	27	81
Sydney	S	27	81
Taipei	S	27	81
Tokyo	S	27	81
Yokohama	S	27	81

THE LEX COLUMN Trouble at t'Mill for Dalgety

Index fell 0.9 to 474.2

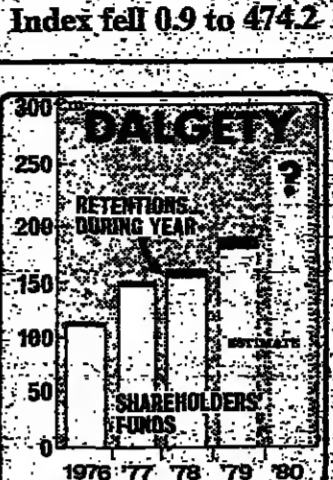
It is early days yet, but already the odds are stacking up against Dalgety in its attempt to acquire Spillers. In the first place, this is a very big bid for Dalgety, which is capitalised at £186m and is proposing an all-equity offer worth £74m, or 50p per share. More often than not, takeovers on this scale require a willing victim—and Spillers has already rejected the terms.

In addition, the price is not widely attractive even allowing for Spillers' dismal financial and management record. Spillers has net tangible assets of £36m, a modern milling plant, and a number of valuable trademarks. Its profits in the year to last February were £14.7m pre-tax, after losses of £2.5m in the discontinued baking business.

Analysts have been busy writing down their profit forecasts as a result of growing pressure on milling margins, and some are now projecting a pre-tax decline this year. But there must be at least a chance that the four price will go up in the near future, after a series of about 17 months. That would make all the difference to any defence forecast from Spillers, since its four bids probably made profits of roughly £10m last year.

Dalgety would be pushed to improve its current terms significantly. At present it is offering Spillers shareholders 85 per cent of the enlarged equity, which is roughly in line with their contribution to combined earnings and assets. If it offers more shares, it will start to dilute its earnings; and it does not seem to be in a position to push out big slabs of cash or debt. If the bid went through, debt would probably represent over two-thirds of shareholders' funds—which, including minorities, would exceed £300m.

Dalgety shares held steady yesterday, thanks in good part to its forecast of a 53 per cent dividend increase for 1978-79. But Spillers represents a real risk in management terms for Dalgety, which has already expanded its equity base by about three-fifths since 1976 as a result of rights issues and takeovers. Spillers would take it into some viciously competitive areas of the food manufacturing business. And it is very significant that the bid has led to the resignation of Mr Alfred Singer, a non-executive director of Dalgety, who is well known in the City and who cut his teeth in the food business as a former deputy managing director of Tesco.



But although Dalgety's chances may not look good at this stage, Spillers' days of independence could still be numbered. Its shareholders have no cause for indignity, loyalty, and Dalgety's approach could conceivably trigger a counter bid.

Tube Investments

At its annual general meeting in mid-May, Tube Investments had warned that first half profits would be down because of the industrial disruption earlier this year. But a one-fifth drop in interim pre-tax profits to £30.4m is disappointing and the only consolation for shareholders is that the net interim dividend has been increased by 14 per cent. The shares, which closed unchanged on the day at 334p, now yield over 1.6 per cent assuming the final dividend is increased in line with the interim.

It looks as if Tubes was harder hit by the industrial troubles at the beginning of the year than first thought. First quarter profits were "substantially lower" than in the corresponding quarter last year. By the second quarter things were back to normal but the combination of higher interest rates and sterling's appreciation hindered recovery.

Once again in the consumer appliance side of the business, which has provided the star performer, Volvina is up by over 20 per cent and pre-interest profits are more than doubled to £6.3m. But elsewhere Tubes' performance has mirrored the problems currently facing much of the UK industry. Margins on the steel tube business have been under strong pressure particularly in the export markets and

the cycle operation, which had made £5.7m in the previous year, was down to £1.7m. This is apart from the adverse impact of the exchange rate there are special problems in its two major overseas markets—Nigeria and Iran.

All being well there should be a substantial improvement in the first half and full year profits could be of the order of £7m (against £2m) British Aluminium, which was yesterday reported to be very busy in industrial applications, should do better for example. But this improvement should be badly affected if the latest round of investment in the engineering industry escalates.

Unilever

Unilever began 1979 looking for 3 per cent growth in sales volume, rather than the rate that it had enjoyed in the last nine months of 1978. In the first quarter of this year the target was comfortably reached, but in the April-June quarter when pre-tax profits were down 10 per cent, the target was not achieved by a wide margin. National Starch, part of the group in the first half of 1979, now has a 50 per cent increase in sales in the West but in some important Third World markets it is beginning to look unlikely that the target will be met in the last six months of the year.

As usual, the breakdown of activities is a positive tale of growth, but swings and roundabouts. European markets have been fair, overall, even though there have been some high price rises in food, vegetable prices, and in the U.S. options, it will not be well. But export business, especially in Africa, has been weak and UAC Nigeria shows a substantial fall. The final pre-tax profit for 1979 will depend heavily on the closing starting rate, but on the basis of exchange rates it may be little different from last year's £200m.

This put the shares down 5p yesterday at 655p, on a price of about 64p fully ex-div. The dividend yield is 3.4 per cent, and nothing to boast of in the context of a dividend increase, as announced. The Limited Dividend Switch has been disrupted by the higher premiums, and by the halved dividend in Limited. But now that the switch may be made cleanly, it would be surprising if the present 2.8 per cent premium of Limited over NY, which just covers a UK gross fund's liability to Dutch withholding tax, were to widen much further.

Dreamland Group

Europe's Largest Manufacturer of Electric Blankets

Record half-year results
 Increased interim dividend
 Total dividend 2.2p per share forecast

"Continuing success in securing increasing share of expanding U.K. electric blanket market and increasing exports, especially in Europe. Export orders at end June exceeded total for 1978. Prospects for the current six months are most encouraging."

Freddie Williams, Chairman.

Results at a glance	6 months to 30.6.79 (unaudited)	6 months to 30.6.78 (unaudited)	12 months to 31.12.78 (audited)
Group turnover	3,673	2,486	5,317
Profit before tax	425	264	1,151
Profit after tax	204	174	583
Dividend per share	0.7p	0.45p	1.42p
Earnings per share	1.90p	1.62p	5.44p

Results also reflect changing trading pattern and should not be interpreted as being directly indicative of future profits. Directors intend future dividends should be more closely related to the Group's earnings.

Copies of the full Interim Report may be obtained from the Secretary

DREAMLAND MONOGRAM ALARMLINE

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